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# **NOTE:**

The "Finance Committee" was renamed the "Budget Committee" on January 20, 1993.

The name reverted to "Finance Committee" on January 29, 1997.

The name was changed to "Finance and Labor Committee" on January 27, 1999.



# City and County of San Francisco Meeting Agenda

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Finance Committee

Members: Supervisors Mabel Teng, Barbara Kaufman, Gavin Newsom

Clerk: Joni Blanchard

Wednesday, January 06, 1999

1:00 PM

City Hall, Room 263

**Regular Meeting** 

# **REGULAR AGENDA**

DOCI WINTS DEPT.

DEC 2 1 1998

1. 981963 [Lease Agreement, Port - Richard Stein/City Parking Company]

Resolution approving lease agreement with Richard Stein d.b.a. City Parking Company and the City and County of San Francisco operating by and through the San Francisco Port Commission to operate a surface parking lot at Seawall Lot 330, Embarcadero and Bryant. (Port)

11/18/98, RECEIVED AND ASSIGNED to Finance Committee.

2. 982037 [Grant - State]

Resolution authorizing the Director of Public Works to expend up to \$1,274,279 from the State of California for roadway work on City streets in accordance with State-Local Transportation Partnership Program (9th Cycle) waiving indirect costs. (Department of Public Works)

12/3/98, RECEIVED AND ASSIGNED to Finance Committee.

982049 [U.N. Plaza Farmers' Market Permit]

Supervisor Kaufman

Resolution amending the revocable permit for the Farmers' Market at United Nations Plaza by authorizing an increase in flower vendors at the market and removing limitations on the size of stalls for such vendors; making technical corrections to nonsubstantive permit terms.

12/7/98, RECEIVED AND ASSIGNED to Finance Committee.

4. 982063 [Tax Collector's Office Management Audit]

Supervisor Kaufman

Hearing to consider the follow-up review of the 1995 Management Audit of the Tax Collectors' Office.

12/7/98, RECEIVED AND ASSIGNED to Finance Committee.

12/16/98, CONTINUED. Speakers: None. Continued to the January 6, 1999 meeting.

5. 981719 [Audit of Transient Occupancy Tax Payments]

Supervisor Newsom

Resolution urging the Tax Collector to conduct an audit of transient occupancy tax payments from certain single room occupancy hotels.

10/13/98, RECEIVED AND ASSIGNED to Finance Committee

12/16/98, CONTINUED. Speakers: None. Continued to the January 6, 1999 meeting.

7 45243 SFPL: ECONO JRS 206 SFPL 11/22/00 79

### 6. 982098 [Broadway Parcels]

Supervisors Teng, Bierman

Resolution approving in principle (1) the San Francisco Police Department's purchase or lease of Block 165, Lot 21 (Broadway between Sansome Street and Battery Street) at fair market value for the construction of a police station to replace the current North Beach station; (2) the Mayor's Office of Housing's utilizing Block 141, Lot 11 (Broadway between Battery Street and Front Street) for the development of affordable housing consistent with Proposition A approved by the voters in November, 1997, including but not limited to the issuance of requests for qualifications and/or proposals for a developer to purchase or lease of the site at less than fair market value for the development of affordable housing; and (3) the Port of San Francisco's utilizing Block 140, Lot 8 (Davis Street between Vallejo Street and Broadway) for commercial development consistent with the Port's Waterfront Plan, including but not limited to a jurisdictional transfer of such parcel to the Port and the Port's issuance of requests for qualifications and/or proposals for a developer to purchase or lease of the site at fair market value for such commercial development; each subject to the receipt of any required Board of Supervisors' approval of such transactions.

12/14/98, RECEIVED AND ASSIGNED to Finance Committee.

### 7. 982136 [Grant, Federal]

Supervisor Newsom

Resolution authorizing the Executive Director, Department of Parking and Traffic, to retroaetively apply for, accept and expend up to \$3.54 million in Federal grants for implementation of the first phase of a state-of-the-art Integrated Transportation Management System (ITMS), foregoing reimbursement of indirect costs.

12/21/98, RECEIVED AND ASSIGNED to Economic Development, Transportation, and Technology Committee.

12/23/98, TRANSFERRED to Finance Committee.

### LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956,9 and San Francisco Administrative Code Section 67.8 to confer with legal counsel concerning anticipated litigation related to the following proposed lease amendment. This motion would be made on the basis that discussion in open session of this proposed legislation would prejudice the position of the City in this matter.

### 8. 981923 [Golden Gate Yacht Club Lease Amendment]

Ordinance approving the First Amendment to the lease between the City and the Golden Gate Yacht Club to reduce the rental rate from 10 percent to 7.5 percent of the Club's monthly gross revenue and reducing the lease term from 40 to 30 years. (City Attorney)

11/13/98, RECEIVED AND ASSIGNED to Finance Committee.

12/9/98, CONTINUED. Heard in Committee. Continued to December 16, 1998 meeting (as a closed session item). Speakers: Harvey Rose, Budget Analyst; Joel Robinson, Acting Director, Recreation and Park Department - support.

12/16/98, CONTINUED. Heard in Committee. Speakers in support: Mary Sancimino, Charles Stern; Paul Anderson; Doug Carroll; Les Goldner; Nancy Wesley; Michael Schnapp; Maggie McCall. Speakers in opposition: Gib Dyer; Emeric Kalman; David Miller; Isabel Wade; Joan Girardot, Coalition for S.F. Neighborhoods; Emestine Weiss. Continued to the January 6, 1999 meeting.

This Committee of the Board of Supervisors may find that it is in the best interest of the City not to disclose any information revealed in its closed session deliberations in the above item at this time and may move not to disclose any information at this time.

### **ADJOURNMENT**

# IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceeding begins, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to Committee Clerk, Finance Committee, San Francisco Board of Supervisors, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions

There are no items pending under the 30-day rule.

Watch future agendas for matters.

# **Disability Access**

Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop, the #71 Haight/Noriega, the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.

Assitive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE S.F. BOARD OF SUPERVISORS City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

90.25 7 /6/99

CITY AND COUNTY



OF SAN FRANCISCO

# BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

December 31, 1998

TO:

Finance Committee

FROM:

Budget Analyst Recommendations for meeting of

SUBJECT: January 6, 1999 Finance Committee Meeting

DOCUMENTS DEPT.

JAN - 5 1999

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Item 1 - File 98-1963

Department:

San Francisco Port Commission (Port)

Item:

Resolution approving a new lease between Richard Stein, d.b.a. City Parking Company, and the City and County of San Francisco, operating by and through the Port, to operate a surface (street level) parking lot at Seawall Lot

330, located at Embarcadero and Bryant.

Location:

Seawall Lot 330 located at Embarcadero and Bryant

Streets.

Purpose of

Lease Agreement:

To provide space for the operation of an existing public

surface parking lot with a capacity of 501 vehicles.

Lessor:

City and County of San Francisco

Lessee:

Richard Stein, d.b.a. City Parking Company

No. of Sq. Ft.:

The subject parcel consists of approximately 124,065

square feet.

# Lessor's Option to Expand:

Under the provisions of the proposed lease, the Port may exercise the option to expand the parking operations to space south of the Ferry Building, which is five blocks from the proposed leased space, if such space becomes available. The additional space which may become available ranges from 50,000 to 100,000 square feet, which would accommodate between 200 and 400 additional vehicles, according to the Port's estimates. The Port would expand parking operations in order to facilitate public parking for short-term needs, special events, and emergencies.

# Rental Payment by Lessee to City:

The subject parcel would be leased at the rental rate of \$47,096 per month (base rental rate) with annual CPI adjustments. The annual base rental payment by City Parking Company to the Port would be \$565,152 per year (or \$47,096 per month times 12 months).

If the Port exercises its option under the lease to expand its parking operations to available space south of the Ferry Building, then under the terms of the lease the Port would receive 66% of lessee's annual gross parking revenue receipts at any such expansion sites. Mr. Lozovoy estimates that such expanded operations would yield between \$21,000 and \$42,000 in monthly parking revenues. Based on the percentage rent of 66% of gross receipts after City Parking Taxes, Mr. Lozovoy estimates that the Port would receive between \$13.680 (or 66% of \$21,000) and \$27,720 (or 66% of \$42,000) per month from parking operations at the expansion sites.

# Increase in Base Rental Revenues:

Mr. Mark Lozovoy, Senior Property Manager of the Port, reports that currently the Port has a month-to-month lease with All Right Parking for the operation of the parking lot on Seawall Lot 330.

The current base rental rate is \$25,000 per month, which results in a current total annual base rental revenue of \$300,000 per year (\$25,000 per month times 12 months).

Memo to Finance Committee January 6, 1999

As previously noted, under the proposed lease, the new base rental rate of \$47,096 per month for lease of the subject parcel would result in a projected total annual base rental revenue of \$565,152 per year (\$47,096 per month times 12 months). Therefore, the proposed lease rental payments would result in an increase of \$22,096 per month or \$265,152 per year, representing a percentage increase of 88.38%.

Term of Lease:

Two years, commencing on the first day of the month immediately after the Board of Supervisors approves the proposed lease. The Port retains the right to terminate the lease upon 60 days written notice to the lessee.

Right of Renewal:

None.

Insurance Provision:

City Parking Company would be required to maintain Garage Liability and Garage Keeper's Insurance with a limit of not less than \$1,000,000, in addition to Workers Compensation, Comprehensive General Liability and Comprehensive Automobile Insurance.

Description:

According to Mr. Lozovoy, 501 vehicles could park in the subject parking lot.

The City has an existing agreement with ESPN, the television sports network, to permit ESPN vehicles and related equipment to park in 50,000 square feet of the subject parcel from June 1, 1999 to July 3, 1999 and from June 1, 2000 to July 3, 2000. During these weeks, ESPN is scheduled to air the X-Games, "outrageous and alternative" sports games, such as skateboarding, skysurfing, street luge, and bicycle stunt riding in San Francisco. The City would credit the City Parking Company with the rental amount directly proportional to the square footage reduction of the subject parcel as a result of the ESPN X-Games' temporary parking use of the parking lot.

Comment:

On July 29, 1998, the Port issued an Invitation for Bids (IFB). Attachment 1 to this report provided by the Port includes the names of all publications in which the IFB was advertised and the dates of these advertisements. Attachment 2 to this report provided by the Port contains

Memo to Finance Committee January 6, 1999

a list of the 18 companies which responded to the IFB and the monthly rental bid amounts submitted by each company.

Recommendation:

Approve the proposed resolution.

San Francisco Chronicle and Examiner
Asian Week
The Oakland Tribune
Philippine News
San Francisco Business Times
Sun-Reporter
San Francisco El Latino Newspaper
City Purchasing Department
Contra Costa Times

\* ADS FROM 8/10 TO 8/26/98

Post-it* Fax Note 7671	Date 12/17/58 pages /
TO SARALYN ANG	From M. LOZOVOY
CONDER BOS - BUDGET	CO. SF PORT
Phone \$ 554 - 7642	Prone 274-0575
Fax = 252 - 0461	Fax 0 274 - 0578

Port of San Francisco
Parking Lot Bids
September 15, 1998

# PARCEL III

Seawall Lot 330 Minimum Bid: \$25,000.00

1	City Parking Company	\$47,096.00
2	Imperial Parking, Inc.	37,500.00
3	Park Bay Inc.	37,104.00
4	GDA Holding, Inc.	36,668.00
5	Central Parking System, Inc.	36,250.00
6	Allright Cal, Inc.	36,201.00
7	ABC Parking, Inc.	36,000.00
8	Grefalco Co., Inc.	33,333.00
9	US Parking, Inc.	32,101.00
10	K.T. Park Corporation	31,915.00
11	Car Park Management Corp.	31,715.00
12	Parking Company of America, Management, LLC	30,000.00
13	Ampeo System Parking	26,011.00
14	Parking Concepts, Inc.	25,011.00
15	Federal Auto Parks, Inc.	no bid
16	Optima Investment, Inc. /dba Bay Parking Co.	no bid
17	Pacific Park Management, Inc.	no bid
18	San Francisco Parking Incorporated	no bid

Item 2 - File 98-2037

Department: Department of Public Works (DPW)

Item: Resolution authorizing the DPW to expend retroactively

up to \$1,274.279 from the State of California for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (9th cycle), and

waiving indirect costs.

Grant Amount: \$1,274,279

Grant Period: July 1, 1998 through June 30, 1999 (one year)

Source of Funds: State-Local Transportation Partnership Program,

administered by the California Department of

Transportation (CalTrans)

Description: The Board of Supervisors previously authorized the DPW

to apply for and accept funds granted under the State-Local Transportation Partnership Program (Program) on a continuing basis over the ten-year life of the Program without seeking separate approval from the Board of Supervisors during each funding cycle to apply for and accept the funds. However, the expenditures of the funds still requires approval by the Board of Supervisors. The Program was created to fund transportation improvements throughout the State. The proposed grant funds would provide monies for the ninth year of the

Program.

Approval of the proposed resolution would retroactively authorize the DPW to expend \$1,274,279 in State grant funding for contractual services associated with a total of eight concrete street reconstruction and street resurfacing projects covering 30 City streets. The total cost of these projects is \$7,681,009, of which the proposed State grant monies would fund 16.59 percent, or \$1.274,279. The required local match of 83.41 percent, or \$6,406,730, would be provided by Proposition B Sales Tax revenues which were previously appropriated by the San Francisco Transportation Authority for road work. According to Mr. Joe Olvadia of the DPW, contracts for two of the subject eight projects, namely the South of Market Street District



Track Removal and Pavement Renovation Project and the Fillmore Street Pavement Renovation and MUNI Underground Ductbank Project, total \$1,949,422 and have already been awarded. Mr. Olvadia reports that contracts for the remaining six projects have not been awarded.

Budget:

Attachment I, provided by the DPW, contains project locations and costs (including both State funds and local funds) for each of the eight projects to be partially funded by the proposed grant. Including the State grant funds of \$1,274,279 and the local match funds of \$6,406,730, the total cost of the eight projects is \$7,681,009.

Required Match:

\$6,406,730 - The funding source for this required local match is previously appropriated Proposition B Sales Tax revenues

Indirect Costs:

According to Mr. Olvadia, the State-Local Transportation Partnership Program does not permit the inclusion of indirect costs in grant awards.

Comments:

- 1. Attachment II, provided by DPW, is a list of the contracts by project, totaling \$1,949,422, which have already been awarded by DPW.
- 2. Attachment III is the DPWs Summary of Grant Request Form.
- 3. DPW has prepared a Disability Access Checklist, which is on file with the Clerk of the Board's Office.

Recommendation:

Approve the proposed resolution.

# STATE-LOCAL TRANSPORTATION PARTNERSHIP PROGRAM NINTH CYCLE

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STATE MATCH:	١
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1.No. 14  S. 1,655,141 S. 274,588 S. 1,380,553 S. 1,564,486 S. 259,548 S. 1,304,938 S. 711,191 S. 117,987 S. 866,391 S. 913,738 S. 151,589 S. 762,149 S. 1,007,870 S. 1,007,87						LJIE JMB Construction/Granterock Co. a JV \$  WJBZJJ 10%	1,854,181
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		ie 11	1,007,870			No Bids Received	
1dl Cycle S 7,681,009 S 1,274,279 S 6,406,730	Total Reimbursement for 9th Cycle	oth Cycle	S 7,681,009	\$ 1,274,279			

<sup>·</sup> The bidder selected for the contract is printed in bold

# MBE PARTICIPATION OF SELECTED BIDDERS

1091N Various Locations South of Market Street
District Track Removal Pavement Renovation Phase 1

\$422,522

Prime Contractor: Esquivel Grading & Paving, Inc.(MBE)	65.6%	
Subcontractors: Cobra Trucking(MBE) A. Ruiz Construction (MBE) King C. Electric(MBE) J. Higgins Trucking (WBE)	3.6% 13.0% 7.7% 10.2%	
TOTAL MBE/WBE PARTICIPATION	100.0%	
1459N Fillmore Street - Broadway to Eddy Streets		\$1,526,900
Prime Contractor: Shaw Pipeline (LBE)	62.34%	
Subcontractors:		

S&S & Roger JV(MBE) Esquivel Grading(MBE) J Higgins(WBE)		3.30% 23.00% 1.60%
TOTAL MBE/WBE PARTICIPATION		37.80%

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Phone #	Phone # 558 - 4004
FAX # 252-0461	Fax +

6.65%

3.30%

Russ Enterprises(WBE)

Vickers Concrete(MBE)

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Item No.	_	Summar	v of Grant Requ	uest		
Grantor State of	f California. Calti	ans	Division	Bureau of l	Engineering	
Contact Person				Project Ma		
Address 111 (				erson Joe (	Ovadia	
	and CA 94623-0			(415) 558-		
Amount Requested				on Deadline N/		
Term From 7/		6/30/99		on Expected		
Health Commission	n	Boar				
				Full Board		
L Item Description	on: Request to expe	end a continuation				
	grant in the am	ount of \$ 1,274,27	from the pe	riod of	98to	6/30/99
	to provide	rehabilitation of	of roadway projec	ts.		
IL Summary:						
	nt will partly fund			econstruction of	30 streets unde	er the
State-Local 7	Transportation Pa	rtnership Program	n Cycle No. 9.			
****						
III. Outcomes/Ol						
Extends	useful life of road	way by 10 years				
IV Effects of De	duction on Tomic	orion of There T				
	duction or Termin					
The City	will do less pavil	ig projects.				
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V. Financial Info	emation:					
v. Imaneral mic	mation.					
	Col. A	Col. B Past Year/Orig	Col. C Proposed	Col. D	Req.	Approved
	Two Years Ago	Past Year/Orig.	Proposed	Change	Match	<u>bv</u>
Grant Amount	\$1,038,069	\$2,065,993	\$1,274.279			
Personnel						
Equipment						
*Contract Syc.	\$1,038,069	\$2,065,993	\$1,274,279			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						
indirect Costs						
177 D . D						
VL Data Proces	sing					
VIII Domonal						
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Source(s) of non		-1	1			
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	Sales Tax					
Will grant funder	d employees be reta	ined after this	nt terminates? If a	o Hon-?		
	N/A (Grant mone					
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*VIII Contract	tual Services: Ope	n Rid V	Sole Source			
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### Item 3 - File 98-2049

Departments:

Department of Agriculture, Weights and Measures

Department of Public Works (DPW)

Department of Real Estate

Item:

Resolution amending the Revocable Permit for the Farmer's Market at United Nations Plaza by authorizing an increase in flower vendors at the Farmer's Market and removing limitations on the size of stalls for such vendors and making technical changes to the Revocable Permit provisions.

Description:

According to Ms. Ilene Dick of the City Attorney's Office, 2.74 of the City's accordance with Section Administrative Code, the Board of Supervisors previously issued a Revocable Permit to the Heart of the City Farmer's Market, a non-profit organization, to operate the Farmer's Market at the United Nations Plaza. Ms. Dick advises that currently the Revocable Permit contains a provision that limits the number of flower vendors to three vendors which are allowed to operate at the Farmer's Market. The Heart of the City Farmer's Market now desires to increase the number of flower vendors. which are allowed to operate at the Farmer's Market, from three to four because the current public demand for the sale of flowers at the Market is greater than the current vendor supply of flowers at the Market, according to Mr. Karl Landes, Co-Manager of the Heart of the City's Farmer's Market.

In addition, Ms. Dick advises that currently the Revocable Permit contains another provision that limits the size of stalls, which are occupied by flower vendors at the Farmer's Market, to 9 feet by 12 feet. According to Mr. Landes, the Heart of the City Farmer's Market desires to remove all limits on the size of stalls which are occupied by flower vendors in order to provide such vendors with additional space to sell flowers.

In summary, approval of the proposed resolution would amend the Revocable Permit, issued by the City to the Heart of the City Farmer's Market, by authorizing an increase in the number of flower vendors by one from

three to four, and removing all size limitations on stalls which are occupied by those flower vendors at the Farmer's Market at the United Nations Plaza.

Additionally, according to Ms. Dick, the proposed resolution would make technical, non-substantive changes to the Revocable Permit provisions, including (1) substituting the "Chief Administrative Officer" with the "City Administrator" to make the Revocable Permit consistent with the City's actual organizational structure and (2) modifying the Revocable Permit requirement that the permittee purchase "Commercial" General Liability insurance, rather than just General Liability insurance to operate the Farmer's Market.

### Comments:

- 1. According to Mr. Landes, currently the Heart of the City Farmer's Market charges a daily stall fee of \$18.00 to each of the three flower vendors at the Farmer's Market. Mr. Landes reports that the Farmer's Market is open twice per week and as such, stall fees total \$36.00 per week, or approximately \$1,872 per year, for each flower vendor. If the proposed resolution is approved, approximately \$1,872 in additional stall fee revenues would be realized by the Heart of the City Farmer's Market from one more flower vendor at the Farmer's Market.
- 2. In accordance with the current provisions of the Revocable Permit, Section 5 states that the Department of Real Estate is to be paid \$1 annually by the Heart of the City Farmer's Market for the Revocable Permit to operate the Farmer's Market at United Nations Plaza. However, according to Mr. Harry Quinn of the Real Estate Department, the Real Estate Department has never received the \$1 annual payments from the Heart of the City Farmer's Market for the existing Revocable Permit to operate the Farmer's Market at United Nations Plaza.
- 3. In addition, Section 11 of the current Revocable Permit states that the Department of Public Works (DPW) is to be paid in advance \$150 per month, or \$1,800 annually, by the Heart of the City Farmer's Market for DPW's services to remove vegetable and fruit particles ground into the bricks at the United Nations Plaza resulting from

the operations of the Farmer's Market. However, according to Ms. Barbara Moy of DPW, the last payment of \$1,800 was made in October of 1994 by the Heart of the City for DPW's cleanup services, which is more than four years ago. As shown in the Attachment, when making this October of 1994 payment, the Heart of the City indicated that they had signed the Revocable Permit with the City on August 10, 1993, thanked the City for their patience and requested to continue to make payments once a year. Although DPW, as of the writing of this report, could not confirm the period for which the \$1.800 payment covered, it appears that the Heart of the City Farmer's Market payment was retroactive to cover the one-year period from the beginning of the permit in approximately September of 1993 through August of 1994. Therefore, the Heart of the City Farmer's Market currently owes DPW approximately \$7,950 for delinquent payments to cover the period from September of 1994 through January of 1999. The current Revocable Permit does not contain any penalty or interest payment requirements on this \$7,950 amount that is past due from the Heart of the City Farmer's Market.

- 4. Section 12 of the current Revocable Permit also contains a provision that requires the Heart of the City Farmer's Market to retain a consultant each year to conduct a public safety audit of the operations of the Farmer's Market. If a copy of such an audit is not provided to the Department of Agriculture and Weights and Measures by March 31 of each year, then the City is responsible for performing such an audit and the Heart of the City Farmer's Market is required to reimburse the City in an amount not to exceed \$500 for the audit costs. According to Mr. Sid Baker of the Department of Agriculture Weights and Measures, the Heart of the City has not provided a copy of the annual public safety audit of their operations to the Department nor paid the Department up to \$500 per year for the City to conduct such an audit for at least the past two years.
- 5. Mr. Mario Kashou of the City Attorney's Office reports that the Heart of the City Farmer's Market has a history of repeated violations on the existing Revocable Permit, including violations regarding the number of flower

vendors at the Market and the size of the flower vendor stalls, which are the issues that would be addressed in the proposed resolution. Mr. Kashou reports that neighboring flower stores have complained numerous times about these violations. According to Mr. Kashou, rather than supporting approval of the proposed resolution at this time, the City Attorney's Office is currently working with the Department of Agriculture, Weights and Measures to identify measures that can be taken to correct these problems.

- 6. Given that the Heart of the City Farmer's Market has not complied with the existing Revocable Permit by (1) never paving the \$1 annual Revocable Permit fee due to the Real Estate Department, (2) not paying in advance the \$150 monthly fee to DPW for cleaning services in United Nations Plaza since the Fall of 1994, which currently results in a past due amount of approximately \$7,950. (3) not submitting the required audit nor paying the Department of Agriculture, Weights and Measures up to \$500 per year to conduct such an audit for at least the past two years, and (4) repeated violations of the number of flower vendors and the size of the flower vendor stalls. which the City Attorney's Office is currently working with the Department of Agriculture, Weights and Measure to resolve, the Budget Analyst's Office does not recommend approval of the proposed resolution, which would authorize further enhancements to the Revocable Permit held by the Heart of the City Farmer's Market and result in additional revenue of approximately \$1,872 per year to the Heart of the City Farmer's Market.
- 7. In addition, the Budget Analyst's Office is concerned that the Heart of the City Farmer's Market violations of the existing Revocable Permit did not trigger action by those City Departments responsible for overseeing the provisions in the Permit. The Budget Analyst notes that the Real Estate Department, DPW and Department of Agriculture, Weights and Measures were not aware of many of the above noted violations to the Permit, until questioned by the Budget Analyst's Office. Furthermore, the existing Revocable Permit does not contain any penalty or interest payment requirements by the Heart of the City, to encourage on-time performance of the

provisions in the Permit. The Budget Analyst therefore recommends that (1) the affected City Departments (i.e., Real Estate Department, DPW and Department of Agriculture, weights and Measures) immediately notify the Heart of the City regarding their delinquent payments and audits due, (2) stronger oversight of this Permit be continued by these respective City Departments and (3) additional penalty and interest payment requirements be included in any future amendments to this Revocable Permit.

Recommendations:

Given the numerous violations of the existing Revocable Permit, as summarized in Comment 6 above, disapprove the proposed resolution.

The affected City Departments (i.e., Real Estate Department, DPW and Department of Agriculture, weights and Measures) should also immediately notify the Heart of the City regarding their delinquent payments and audits due, (2) stronger oversight of the Heart of the City Farmer's Market Revocable Permit should be continued by these respective City Departments and (3) additional penalty and interest payment requirements should be included in any future amendments to this Revocable Permit.

HEART of the CITY 1182 Market Street #415 San Francisco, CA 94102 - Farm Fresh Produce

1994 Board Members FARMER REPRESENTATIVES

Prosident Terry Fairchlid 11631 Peach Livingston, CA 95334 1-209-394-4802

Vice President El Hullane دددر = النوصعية عدي ..... Mercod, CA 95340 1-209-723-1456

Treasurer John Garrone 541 Poplar Avenue San Bruno, CA 94068 415-871-5424

John Projetti 16229 E. Copperopolis Linden, CA 95236 1-209-464-6977

Mark Bartle Molino Creek Farms P.O. Box 64 Davenport, CA 95017 1-403-457-2169

COMMUNITY REPRESENTATIVES

Secretary Carolyn Diamond Market Street Association 870 Market Street, #456 San Francisco, CA 94102 415-362-2500

Jon Harrisonsh SHARE Northern California 4075 Lakeside Drive Richmond, CA 94806 1-510-222-2508

Elegnor Pogson San Francisco Arts Commission 25 Van Ness Avenue, #240 San Francisco, CA 94102 415-252-2586

Sob Katz Merrits Drugstore 1091 Market Street San Francisco, CA 94103 415-431-7240

STAFF

Manager Christine Adams

Co-Manager Karl Landse

(415) 558-9435 Fex '415, 558-9000

- Community Responsive

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DEPT. PUBLIC WORKS DIRECTOR'S OF CIRE

October 20, 1994 INFO ONLY

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John Cribbs Director Public Works City Hall Room 260 San Prancisco, CA. 94102

RECEIVED OCT 25 1994

D. ......

Dear John,

As of August 10, 1993 the Heart of the City Farmers Market and the city of San Francisco signed a permit. In this permit the Heart of the City agrees to pay Department of Public Works One Hundred and Fifty Sollars ( \$150.00 ) every month to remove Vegetable and fruit particles ground into the bricks.

If it is ok with you, may we continue to make a check once a year. If you have any questions please call 558-4955 on Thursday between 10am & 12pm or 647-9423 every Tuesday or Friday between Sau & Spin:--Thank you for your patience.

ine Adams Market Manager Heart of the City

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PHONE NO. : 4156552184

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# Item 4 - File 98-2063

Note: This item was continued by the Finance Committee at its meeting of December 16, 1998.

Item:

Hearing to consider the Budget Analyst's follow-up review of the Budget Analyst's 1995 Management Audit of the Tax Collector's Office.

Description:

In April of 1995, the Budget Analyst completed a Management Audit of the Tax Collector's Office, which included 11 findings and 81 recommendations. In November of 1997, the Board of Supervisors directed the Budget Analyst to conduct a follow-up performance review of the Tax Collector's Office to determine the progress and status of the implementation of the recommendations contained in the Budget Analyst's Management Audit Report of 1995. The Board of Supervisors requested both the 1995 Management Audit and the Follow-up Review in order to assist the Tax Collector in his efforts to improve the efficiency and effectiveness of his Office.

The Follow-up Review, dated December 1, 1998, which was recently issued to the Board of Supervisors, identifies each of the Budget Analyst's recommendations made in 1995 and discusses the Tax Collector's progress in implementing each of these recommendations. In addition, further recommendations to improve the efficiency of operations, improve internal controls, reduce costs and increase revenues are included.

Our report found that the Tax Collector's Office has fully or partially implemented 54 of the 81 recommendations made by the Budget Analyst in the 1995 Management Audit Report and that the Tax Collector has made significant progress in solving the problems identified at that time. In fact, the number of registered businesses in San Francisco has increased from 57,885 in FY 1994-95 to 70,467 in FY 1997-98, an increase of 12,582 businesses, or approximately 22 percent. Business Payroll and Gross Receipts Taxes and Business Registration Fees have increased from \$159,020,000 in FY 1995-96 to \$225,745,000 in FY 1997-98, an increase of \$66,725,000, or approximately 42 percent, since the

audit was completed. While the Tax Collector and the Budget Analyst acknowledge that these percentage changes during these periods are related to San Francisco's economic growth, the Tax Collector also acknowledges that, although the specific amount cannot be separated, "a substantial percentage must be linked to improvements enacted in accordance with the 1995 Audit recommendations".

This Follow-up Review also contains a written response from the Tax Collector's Office and from the Animal Care and Control Department, which addresses Section II.2: Dog Licenses discussed in the report.

# Item 5 - File 98-1719

Note: This item was continued by the Finance Committee at its meeting of December 16, 1998.

Department: Tax Collector

Item: Resolution urging the Tax Collector to conduct an audit of

Transient Occupancy Tax (Hotel Tax) payments to the City from 240 San Francisco Single Room Occupancy

(SRO) hotels with 50 or fewer units.

Description: According to Mr. Richard Sullivan, Tax Collector, Single

Room Occupancy (SRO) hotels are composed of rooms that are single person occupancy only and rented to guests on a hourly, weekly or monthly basis. Mr. Sullivan states that all hotels in San Francisco are required to reimburse the City for the Hotel Tax charged on each hotel room at the daily rate of 14 percent for guests who stay at the hotel for less than 30 consecutive days. The exception to requirement is hotel operators accommodations to guests at less than \$30 per day or \$100 per week. Mr. Sullivan states that payments from the Hotel Tax to the City are required to be remitted on a monthly basis. If such payments are not remitted within 30 days of the scheduled monthly payment date, then a penalty of 20 percent of the delinquent payment and interest at 1 percent are imposed each month that the payments remain delinquent, in addition to the base Hotel Tax monies due.

Mr. John Madden of the Controller's Office states that in FY 1998-99, Hotel Tax is projected to generate revenues, totaling \$163,580,035, for the City. According to Mr. Sullivan, \$160,036 of the total Hotel Tax of \$163,580,035 is generated from SRO hotels with 50 or fewer units.

Mr. Sullivan reports that the internal controls pertaining to revenue collections by the operators at SRO hotels with 50 or fewer units are sometimes inadequate, which, in turn, may lead to the underreporting of Hotel Taxes due to the City.

Approval of the proposed resolution would urge the Tax Collector to conduct an audit for the approximately fouryear period from October 1, 1994 to September 10, 1998 of a representative sample of 48, or 20 percent, of the 240

SRO hotels in the City with 50 or fewer units to determine whether or not those hotels have fully paid all Hotel Taxes which are due to the City.

### Comments:

- 1. Mr. Sullivan reports that presently 47, or 19.6 percent, of the 240 SRO hotels owe the City \$47,843 in delinquent Hotel Taxes plus \$5,054 in penalties and \$6,891 in interest charges for total delinquent charges of \$59,788 owed to the City.
- 2. Mr. Sullivan advised the Budget Analyst that the subject audit would be conducted with existing staff. Based on an estimate of 768 to 864 hours to complete the proposed audit, the total estimated cost of the audit would range from \$119,969 to \$134,965, according to Mr. Sullivan, but as previously noted, the audit would be conducted with existing staff, within the Tax Collector's existing budget.
- 3. The attached memo from Mr. Sullivan discusses potential revenue collections from the proposed subject audit.
- 4. The Office of the Sponsor of the proposed legislation indicates that an Amendment of the Whole will be introduced at the Finance Committee meeting of January 6, 1999 to expand the scope of the Tax Collector's audit to include a representative sample of all residential hotels within the City, instead of only single room occupancy residential hotels with 50 or fewer units. As of the writing of this report, Mr. Sullivan reports that the Tax Collector's Office is in the midst of their move to City Hall, and they are not able to (1) identify the amount of Hotel Taxes generated annually by residential hotels in the City. (2) the amount of such Hotel Taxes that are currently delinquent, and (3) the number of hours and estimated cost to conduct the requested audits. Therefore, Mr. Sullivan has requested that this resolution be continued for two weeks, in order to provide sufficient time for the Tax Collector to review the proposed amended resolution and to compile such data.

### Recommendation:

Continue the proposed resolution for two weeks, as requested by the Tax Collector.

Attachment

Out of 10% sampling, 29% is paying and 71% non-paying (Non-paying because Hotel Operators claimed for Hotel Tax exemptions per Sec. 506, Article 7 of the SF. Hotel Tax Ordinance).

Of total population of 10% sampling (24), only 29% is paying, the equivalent of 7 accounts (7/24=, 29) Extrapolated, out of 240 accounts, approximately 70 accounts are paying.

Given the above information, it is not easy to estimate the collection to be realized as a result of the audit because the proposed subject audit may come up to a zero audit or in other words, the audit may result in a findings that majority of the Hotel Operators is in complete compliance with the Hotel Tax Ordinance.



### Item 6 - File 98-2098

Departments:

Department of Public Works (DPW)
Department of Real Estate (DRE)
San Francisco Police Department (SFPD)

Mayor's Office of Housing (MOH) Port of San Francisco (Port)

Item:

Resolution approving in principle the following proposed uses of the "Broadway Parcels," formerly part of the right of way of the Embarcadero Freeway: (1) SFPD's purchase or lease of Block 165, Lot 21 ("Broadway Parcel 1") at fair market value for the construction of a police station to replace the current Central Station, (2) the MOH's use of Block 141, Lot 2 ("Broadway Parcel 2") for the development of affordable housing consistent with Proposition A approved by voters in November, 1996, and (3) the Port's use of Block 140, Lot 8 ("Broadway Parcel 3") for commercial development consistent with the Port's Waterfront Plan.

# History of Subject Properties:

In 1990, the Board of Supervisors approved a resolution endorsing the demolition of the Embarcadero Freeway, due to the severe damage caused by the 1989 Loma Prieta earthquake. The Broadway Parcels were formerly part of the right of way of the Embarcadero Freeway.

In 1991, Senate Bill (SB) 181 was approved by the California Legislature, which authorized the transfer of the right of way of the Embarcadero Freeway from the State of California Department of Transportation (CalTrans) to the City and County of San Francisco at no capital cost to the City. The City acquired the Broadway Parcels on December 30, 1994. Jurisdiction of the Broadway Parcels resides currently in the DPW.

According to Ms. Leslie Trutner of the City Attorney's Office, SB 181 further required that San Francisco use the right of way property or the proceeds from the sale of the right of way property to construct a system of local streets and ramps to

provide motorists with accessibility comparable to that of the elevated Embarcadero Freeway. (Embarcadero Roadway Project). Thus, revenues collected by the City through the DPW as proceeds from such transfers must be used to fund the Embarcadero Roadway Project.

# Description of Subject Properties:

Broadway Parcel 1, or Block 165, Lot 121, located at Broadway between Sansome Street and Battery Street, consists of 17,337 square feet. According to Mr. Harry Quinn of the DRE, the estimated fair market value (FMV) of Broadway Parcel 1 is \$2.6 million.

Broadway Parcel 2, or Block 141, Lot 11, located at Broadway between Battery Street and Front Street, consists of 30,940 square feet. According to Mr. Quinn, the estimated FMV of Broadway Parcel 2 is \$4.5 million.

Broadway Parcel 3, or Block 140, Lot 8, located at Davis Street, between Vallejo Street and Broadway, consists of 10,799 square feet. According to Mr. Quinn, the estimated FMV of Broadway Parcel 3 is \$1.3 million.

# Current Leases at Subject Properties:

According to Mr. Quinn, upon acquiring the subject properties from CalTrans, the City assumed the following leases, which existed and continue to exist on the subject properties:

The City leases Broadway Parcel 1 to the 735 Battery Street Association, a parking operator, for surface (street-level) parking lot operations at \$3,500 per month, and for an easement for egress at \$2.08 per month (\$25 per year), or \$42,025 per year (\$3,502.08 per month times 12 months). Consisting of 17,337 square feet, Broadway Parcel 1 is currently leased at an average of approximately \$0.20 per square foot per month.

The City leases Broadway Parcel 2 to Park Express, a parking operator, for parking lot operations at \$11,500 per month and to PG&E for an electric transformer at \$134.85 per month, or a total of \$139,618.20 per year (\$11,634.85 per month times 12 months). Consisting of 30,940 square feet, Broadway Parcel 2 is leased at an average of approximately \$0.38 per square foot per month.

The City leases Broadway Parcel 3 to Park Express for parking lot operations at \$6,800 per month, or \$81,600 per year (\$6,800 per month times 12 months). Consisting of 10,799 square feet, Broadway Parcel 3 is leased at approximately \$0.63 per square foot per month.

According to Mr. Jesse Smith of the City Attorney's Office, the DPW has used all revenues from the above lease revenues for the Embarcadero Roadway Project.

### Proposed Uses of Subject Properties:

Broadway Parcel 1

Under the proposed resolution, according to Captain Timothy Hettrich of the SFPD, the SFPD would acquire jurisdiction over Broadway Parcel 1 by paying the DPW \$2.6 million, which as noted above is the estimated FMV for Broadway Parcel 1, and would build a new police station (new Central Station) on the subject parcel. The SFPD currently operates its Central Station at 766 Vallejo, property which the SFPD owns and, according to Captain Hettrich, will sell to the Department of Parking and Traffic (DPT) for \$2.6 million to cover the purchase price of Broadway Parcel 1.

Captain Hettrich further estimated that the cost of building the new Central Station on the subject parcel would be between \$5 million to \$7 million. He anticipated that these costs would be paid for in part by General Fund monies and in part by proceeds from the sale of the San Francisco Police Academy

building on Amber Way, which he estimates would be sold at between \$3 million and \$5 million.

Broadway Parcel 2

Under the proposed resolution, according to Ms. Marcia Rosen of the MOH and Ms. Trutner, the MOH would obtain the property from the DPW through a jurisdictional transfer of the property. MOH would then sell or ground lease the property for the development of affordable housing consistent with Proposition A, approved by the voters in November of 1996, and the proceeds from such disposition would be used in accordance with SB 181, which requires such funds be used for the Embarcadero Roadway Project.

Proposition A authorized the City to issue \$100,000,000 of General Obligation bonds to finance both the development of housing affordable to low-income households in the City and County of San Francisco, and downpayment assistance to low and moderate income first-time homebuyers. In December of 1997, the Board of Supervisors approved regulations to implement Proposition A, authorizing the MOH to provide the proceeds from these bonds to fund the development of affordable housing. (See Comment 2). Attachment I is a memorandum from Ms. Rosen explaining why this transaction would be below the FMV of \$4.5 million and that the estimated value would be \$500,000.

According to Ms. Trutner and Mr. Smith, the proposed use of Broadway Parcel 2 by the MOH at below FMV is permitted. Ms. Trutner and Mr. Smith reported that under well-settled principles of municipal law, the City may dispose of its real property at less than FMV where the Board of Supervisors finds that the property will be used for a "public purpose," such as affordable housing. Ms. Trutner stated that SB 181 does not mandate that the City dispose of the subject parcels at FMV.

Under the proposed resolution, according to Ms. Jennifer Sobol of the Port, the Port would enter into a ground lease with a developer at FMV rent to use Broadway Parcel 3, along with other Port-owned parcels, to develop and operate a hotel. Ms. Sobol stated that the DPW would transfer jurisdiction of the subject parcel to the Port. Pursuant to a Memorandum of Understanding (MOU), the DPW would receive a pro rata share of the hotel rental revenue. According to Ms. Sobol, the funds received by the DPW, which as shown in Attachment II are estimated to be approximately \$200,000 annually. would be earmarked for the maintenance of the Embarcadero Roadway. Attachment II is a memo from Ms. Sobol explaining the details of the proposed use of Broadway Parcel 3, including the proposed number of guest rooms of the hotel.

#### Comments:

- 1. According to Captain Hettrich, the SFPD's existing Central Station at 766 Vallejo consists of approximately 10,000 square feet, and the proposed new Central Station on the subject parcel would double the space available to approximately 20,000 square feet for the operation of the SFPD in the North Beach district.
- 2. In November of 1997, the Board of Supervisors adopted Resolution 97-97-56.1 which implemented Proposition A by requiring that any rental housing developed with Proposition A funds be affordable for a period of 50 years to low-income households earning no more than 60% of median income.
- 3. Mr. Robert Carlson of the DPW confirmed that the proceeds from any sale of the Broadway Parcels would go into the City's Real Property Fund, and would be subject to appropriation by the Board of Supervisors for purposes restricted to funding the Embarcadero Roadway Project. Mr. Smith confirmed that the proceeds from the proposed transfers of the Broadway Parcels would be used for the

Embarcadero Roadway Project to the extent required under SB 181.

- 4. Mr. Smith further noted that the proposed transactions for the Broadway Parcels would each involve a jurisdictional transfer requiring future approval by the Board of Supervisors.
- 5. The Budget Analyst notes that the proposed resolution erroneously states that Proposition A was "approved by voters in November, 1997," but Proposition A was approved by voters in November, 1996.
- 6. According to Ms. Trutner, an Amendment of the Whole is being prepared and will be submitted at the January 6, 1999 Finance Committee Meeting. The amended resolution would propose findings related to the following: (1) DPW's use or need, if any, for the subject parcels, (2) priority given under State law to affordable housing developments in the disposition of real property owned by the City, and (3) the impact, if any, of the California Environmental Quality Act (CEQA) on the proposed transfers. The amended resolution would also correct any clerical errors in the proposed resolution, as noted above in Comment 5.

Recommendation:

Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Attachment 1

# MAYOR'S OFFICE OF HOUSING CITY AND COUNTY OF SAN FRANCISCO



WILLIE LEWIS BROWN, JR. MAYOR

> MARCIA ROSEN DIRECTOR

December 30, 1998

#### MEMORANDUM

TO:

Harvey Rose, Budget Analyst

FROM:

Marcia Rosen, Director

Mayor's Office of Housing

RE:

Broadway Parcel #2

This memo responds to your inquiry – conveyed by phone message from Saralynn Ang in your office – regarding the transfer of Broadway Parcel #2 to the Mayor's Office of Housing for the purpose of affordable housing development. Your questions and the answers are as follows:

1. Why is the transfer proposed to be for below fair market value?

A below market rate transfer or land value write-down of publicly-owned surplus land is a well-established means for local jurisdictions to accomplish their affordable housing goals. Land acquisition cost is one of the major components of a development budget. Reducing the land cost also reduces the amount of debt the project must carry. This in turn reduces the rental income the project must produce and makes possible rents that are accessible to households with lower incomes.

This form of subsidy is particularly useful in meeting the goal of geographically distributing affordable housing throughout the city and avoiding its concentration in traditionally low income neighborhoods. This involves attempting to integrate affordable housing into areas where land values (and the cost of housing generally) are particularly high, such as the subject location, where the proximity to downtown, the Embarcadero, North Beach, and Chinatown result in extraordinarily high values, even for San Francisco. If full market rate is paid for land in such areas, the resultant development costs are generally so high relative to the citywide average as to make affordable rental housing development infeasible.

2. What is the proposed value for the transfer?

\$500,000.

If our office can provide you with any future information, please call me at 252-3180.

MR:KD

#### PORT OF SAN FRANCISCO MEMORANDUM

TO: Harvey Rose DATE: December 29, 1998

Budget Analyst

FROM: Jennifer Sobol

Development Project Coordinator

SUBJECT: Resolution Approving in Principle the Disposition of the Broadway Parcels

This memo gives a brief summary of the hotel development opportunity for which the Port is presently soliciting qualifications and proposals (\*RFQ/P\*). The Executive Summary from the RFQ/P is enclosed for your information. (Attachment 1) The hotel project affects Block 140, Lot 8, referred to in the Resolution as "Broadway Parcel 3."

The Port is seeking a developer to design, finance, construct and operate a fulll-service first-class hotel to be located on parcels owned by the Port and on Broadway Parcel 3, which is owned by the City and shown as Parcel C on the enclosed Site Plan. (Attachment 2) The developer will propose the number of rooms and other amenities to be included in the hotel. The Port requires certain minimums: at least 300 guest rooms, one or more eating establishments, 10,000 square feet of banquet/meeting space and approximately three times the code-required number of parking spaces. Qualifications are due January 25, 1999; proposals will be sought from the most-qualified developers, and a selection hopefully will be made by June 1999.

Broadway Parcel 3 presently is leased to a parking operator who pays approximately \$6,800.00 per month in rent to the City (\$81,600.00 annually). These funds go to DPW. Per an agreement reached between DPW and the Port (Attachment 3), Broadway Parcel 3 will be transferred to Port jurisdiction so that the Port can then ground lease the parcel to the developer, along with the Port parcels.

The Port is requiring minimum monthly base rent plus percentage rents from gross receipts on rooms revenue, food and beverage revenues, parking, and other related services. The developer is to propose base and percentage rents. Based on projections made by the Port's consultants, in the first year of stabilized operations (year 3), the Port expects to receive approximately \$2 million in annual rental revenue from the hotel (See Attachment 4). The City (DPW) will receive a portion of this revenue, based upon the percentage of square footage of Broadway Parcel 3 (approximately 10,795 sf) to the overall square footage of the land area used for the hotel site (approximately 103,292 sf). Based thereon, the revenue to the City is estimated as follows:

\$2,000,000 x <u>10,795</u> = approximately \$200,000.00 annually.

The funds received by DPW would be earmarked for maintenance of the Embarcadero Roadway.

If you have further questions, please call me at 274-0548.

#### Item 7 - File 98-2136

Department: Department of Parking and Traffic (DPT)

Item: Resolution authorizing the Executive Director of the DPT

to retroactively apply for, accept and expend \$3.54 million in Federal grants for implementation of the first phase of a state-of-the-art Integrated Transportation Management System (ITMS), and foregoing reimbursement of indirect costs as such reimbursement is not permitted under

Federal guidelines.

Amount: \$3,540,000

Grant Period: March 1, 1999 through June 30, 2001 (28 months).

Sources: DPT has secured grant funds from three different Federal

Programs in the amounts listed below:

Amount Federal Program

\$2,000,000 I-280 Interstate Transfer Concept Program

1,500,000 Intelligent Transportation System

Integration Program of Transportation

Equity Act 21

40.000 Surface Transportation Program

\$3,540,000 Total

Required Match: \$733,000, or approximately 20.7 percent of the grant

total, in the form of in-kind services to be provided by

DPT (see Comment 2).

Description: The proposed resolution would authorize DPT to retroactively apply for, accept and expend \$3.54 million in

retroactively apply for, accept and expend \$3.54 million in Federal grant funds for implementation of the first phase of a state-of-the-art Integrated Transportation Management System (ITMS). According to DPT, the ITMS will use "intelligent transportation technology" to provide significant, measurable improvements to enhance traffic safety, improve transit operations, reduce congestion and travel time, improve responsiveness to special events and/or incidents, keep travelers informed of traffic conditions, and enhance operations and communication among DPT, CalTrans, the Department of

Public Transportation (Muni) and other transit and transportation agencies.

#### The ITMS will include:

- Automated traffic volume and congestion monitoring (with video detection and street sensors for signal controls) to implement traffic signal timing in response to rapidly changing traffic conditions caused by traffic accidents, street closures, sporting events, parades and natural disasters;
- Remote monitoring (closed circuit television cameras)
  to provide real-time data collection at key intersections
  and on critical street segments in order to utilize
  electronic message signs strategically installed along
  major arterials to inform motorists of real-time traffic
  conditions and recommended alternative routes;
- Variable message signs, internet displays and direct links to the media to disseminate information concerning street closures, roadway construction, parking availability, and alternate routes;
- Automated traffic signal operations that would detect signal malfunctions and notify maintenance personnel of such malfunction, thereby decreasing repair response time and improving traffic safety and flow.

DPT estimates that implementation of the ITMS project on a City-wide basis would cost \$43,000,000. The balance of the estimated City-wide cost of \$39,460,000 (\$43,000,000 less \$3,540,000) would be required to install equipment with capabilities similar to the ITMS description detailed above throughout the City. DPT further reports that each phase of implementation would be within a specified geographical area resulting in operational benefits on its completion. This first phase of the ITMS implementation would be in the South of Market Street area most affected by: a) the new Giants Ballpark, b) the expansion of Moscone Convention Center, c) the I-280 freeway, and d) the I-80 on and off ramps retrofit project. Portions of the first phase are targeted for completion by April of 2000, coinciding with the opening date of the Giants Ballpark. The completion date for all of

Phase I of the ITMS project is anticipated to be June 30, 2001.

#### Budget:

A summary budget for the subject grant funds \$3.54 million is as follows:

Equipment Purchase and Installation	\$2,406,000
Contingency – 15%	360,900
Consultant Services - Engineering and Design	450,100
ITMS Program Evaluation	
(conducted by Federal Government)	323.000
Total	\$3,540,000

The Attachment to this report is a detailed budget for the subject grant monies to fund Phase 1 of ITMS implementation. The DPT is unable to provide details concerning the actual consultants, contractors and equipment vendors that will be used for the project at this time. Under Federal regulations, such consultants, contractors and vendors must be chosen through a competitive selection process.

#### Indirect Costs:

The proposed resolution would forego reimbursement of indirect costs because such reimbursement is not permitted under Federal Grant guidelines.

#### Comments:

- 1. According to Ms. Cheryl Liu, Associate Transportation Engineer, Phase 1 of the ITMS implementation will be completed in 28 months, beginning March 1, 1999 and ending June 30, 2001.
- 2. As noted previously, the required match for the \$3.54 million in Federal Grant Funds is \$733,000. The required match will be provided through the commitment of inkind services by DPT to the ITMS project. According to Ms. Julia Dawson, Senior Administrative Analyst, DPT will provide such services during the current, 1998-99 Fiscal Year using existing budget resources and a supplemental appropriation will not be required. Ms. Dawson adds that the DPT believes that additional resources, over and above current staffing and expenditure levels, may be required during Fiscal Years 1999-2000 and 2000-2001.

According to Mr. Matthew Hymel, Director of Finance for the Mayor's Office, further evaluation will be required in order to determine the need for any additional budget resources for DPT to provide needed in-kind services to the ITMS project during Fiscal Years 1999-2000 and 2000-2001. This evaluation will be conducted by the Mayor's Office during the formulation and development of the Mayor's recommended budget for Fiscal Year 1999-2000.

- 3. A feasibility study funded by the Metropolitan Transportation Commission (MTC) concluded that full implementation of the ITMS could result in the following benefits: a) 10-25% reductions in non-recurring traffic delays due to unanticipated incidents, b) a 10% decrease in traffic fatalities, c) 8-15% reductions in travel time; d) 12-35% reductions in vehicle stops, and e) 13-33% reductions in vehicle emissions.
- 4. DPT plans to implement the ITMS City-wide as funding becomes available. DPT will actively seek funding from Federal sources for the City-wide implementation. As noted above, upon completion of Phase 1, the ITMS will be operational and will function independently in the South of Market area regardless of whether additional phases are implemented.
- 5. Because the proposed ITMS grant project could involve the commitment of additional budget resources in Fiscal Years 1999-2000 and 2000-2001, and such additional costs have not been specified, the Budget Analyst believes that the proposed ITMS grant project is a policy matter for the Board of Supervisors.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Department of Parking and Traffic Integrated Traffic Management System - Phase I Direct Cost Estimate for 28 months

Description	Qnty	Unit	Extension Explanation
Engineering Design Services Consultant services		\$450,100	#Hire consultant to perform select appropriate technology, prepare plans and specifications, perform construction engineering, develop operating procedures, configure and test system, seek additional grants, and pursue public/private
Subtotal			\$450,100
Capital Equipment and Installation Traffic signal assemblies	8	\$7,000	\$56,000 Purchase and installation of traffic signal controllers
Closed Circuit TV cameras	12	\$25,000	\$300,000 Purchase and installation of cameras that can be remotely controlled to survey area in real time
Dynamic message signs	ω	\$35,000	\$280,000 Purchase and install signs that will display traffic- related messages to all travelers on the streets
Cable in existing conduits	5000 ft	6\$	\$45,000 Purchase and install fiber optic cables in existing traffic signal electrical conduits
New conduit and cable	11800 ft	\$70	Purchase and install conduits and cables for \$826,000 cameras, message signs, and traffic signals that need replacement conduits and wiring
Traffic Control Center equipment Subtotal		\$400,000	\$400,000 Purchase and install all equipment and build control center \$1,907,000

Integrated Traffic Management System - Phase I Direct Cost Estimate for 28 months

Description	Qnty	Unit	Extension Explanation
Capital Equipment			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Computers	4	\$6,000	\$24,000 Purchase one server computer and three desktop computers
Communications equipment		\$75,000	\$75,000 from traffic signals to the server at the control center
Miscellaneous equipment	↔	\$100,000	Purchase equipment that will allow the department to \$100,000 pull and weld conduits so that the Department can maintain the conduit and fiber optic cable.
System software	↔	\$300,000	\$300,000 Purchase software to control signals, cameras, and message boards
Subtotal			\$499,000
SUBTOTAL			\$2,856,100
Contingency			\$360,900 installation costs
TOTAL CITY BUDGET			\$3,217,000
Federal Highway Administration	₩	\$323,000	\$323,000 The Federal Highway Administration will use about \$323,000 of the grant funds for evaluation
GRANT TOTAL			\$3,540,000

<u>Item 8 - File 98-1923</u>

Note: This item was continued by the Finance Committee at its meeting of

December 16, 1998. The City Attorney's Office has requested that this item

be heard in closed session.

Departments: Recreation and Park Department (RPD)

Item: Resolution approving the first amendment to the lease

between the City of San Francisco and the Golden Gate Yacht Club (Club) (a) to reduce the rental rate from 10% to 7.5% of gross monthly revenues, representing a reduction of 25% payable by the Golden Gate Yacht Club to the City, and (b) to reduce the lease term from 40 years

to 30 years.

Location: Marina Yacht Harbor

Purpose of

Lease Agreement: To operate a recreational boating and racing oriented

yacht club.

Lessor: City and County of San Francisco

Lessee: Golden Gate Yacht Club (the Golden Gate Yacht Club)

No. of Square Feet: Under the terms of the original lease agreement, the

subject property consists of a total land and water area of

31,256 square feet.

Term of Lease: The current term of the lease is 40 years, commencing

June 1, 1992 and terminating on May 31, 2032. The proposed lease amendment would reduce the current term of the lease by 10 years, from 40 years to 30 years,

expiring on May 31, 2022.

Rental Payment from Lessee to City:

Under the original lease, the rental rate is 10% of gross receipts. The proposed rental rate is 7.5% of gross receipts. The minimum rent of \$1,500 per month remains

the same.

Attachment 1 provided by Mr. Ernie Prindle of the Recreation and Park Department contains the annual gross revenues and annual rental payments due from the Club to the City over the past five years under the rental rate of 10% and the projected annual gross revenues and projected rental payments due from the Club to the City under the proposed rental rate of 7.5% for the remaining 23 years of the proposed reduced lease term.

Based on the data contained in Attachment 1, Mr. Prindle projects, that over the remaining 23 years of the proposed reduced lease term, the City would receive \$734,841 less from the Club at the proposed rental rate of 7.5% than the City would receive at the existing rental rate of 10%.

## Fair Rental Rate Adjustment:

Under the proposed amended lease, the rent would be adjusted to fair market rent on June 1, 2002 and on June 1, 2012. Mr. Prindle, states that he is unable to project the fair market rentals at those times and whether such adjustments to the fair market rentals will result in higher or lower rental rates.

#### Description:

The Golden Gate Yacht Club is a nonprofit operation which, under the terms of the original lease provides a "clubhouse with amenities for family type participation," "a meeting room and dining facilities," for the "use of marine oriented organizations," "yacht club functions," and "banquet and event functions." In April of 1992, the Board of Supervisors adopted Ordinance No. 25-92 which approved a lease between the Golden Gate Yacht Club and the City and County of San Francisco for the purpose of operating a yacht club.

On April 10, 1997, the City gave a notice of default to the Golden Gate Yacht Club regarding certain alleged breaches by the Golden Gate Yacht Club of its obligation under the Lease to pay percentage rent, install and maintain bookkeeping and accounting methods, maintain adequate books and records and provide auditors reports to the City. The Golden Gate Yacht Club disputes all of these allegations.

The Club now reports that the 10% rental rate, to which it had previously agreed in the existing lease, was too high. According to Mr. Prindle, the Golden Gate Yacht Club presently owes the City approximately \$200,000 in back rent.

To settle these claims, Mr. Ernie Prindle of the RPD advises that the proposed lease amendment would authorize a reduction in the rental rate from 10% to 7.5%

of monthly gross revenue, but would also reduce the term of the lease by ten years, from 40 years to 30 years.

#### Comments:

- 1. Attachment 2 is a memo provided by Mr. Prindle pertaining to the justification for reducing the proposed monthly rent payable to the City by 25% from 10% to 7.5%. Notwithstanding this justification, Mr. Prindle has estimated a loss of \$734,841 in rental revenues to the City due to this proposed rental rate reduction.
- 2. As previously noted, the proposed legislation, in addition to reducing the rent payable to the City, would also reduce the terms of the lease by 10 years. However, in response to inquiries made by the Budget Analyst, Mr. Prindle could not state that a new lease would not be made with the Golden Gate Yacht Club at the end of the proposed reduced term of 30 years.
- An independent appraisal dated August 28, 1997 was performed to determine the fair market rental rate. Comparables used were deli and port restaurants, with percentage rent ranging from 7% to 11%. As restaurants, these comparables do not address the other aspects of the Club beyond the Club's restaurant. The appraiser concluded that a market rental rate of 9% of gross receipts would be reasonable. Subsequent to the first appraisal, the Department of Real Estate requested another review of the matter, in response to which a supplemental addendum letter from the same appraiser dated November 25, 1997 was subsequently presented to the Recreation and Park Department, finding that the proposed rental rate of 7.5% would be reasonable, assuming a food and beverage operation that is subject to the Yacht Club's membership rules and regulations. (See Comment 5).
- 4. Mr. Tony Delucchi, Director of Real Estate stated that the appraiser was retained by the Department of Real Estate on behalf of the Recreation and Park Department. However, Mr. Delucchi states that he was not involved in the appraisal which served as the basis for the proposed rental rate reduction.
- 5. Attachment 3 is a copy of the addendum letter from the appraiser which responds to the "subsequent request"

> by the Real Estate Department to determine "whether or not a rent of 7.5% of food and beverage sales was reasonable, assuming an operation that is impacted by sales generated by membership only and no public access."

> 6. At the December 16, 1998 Finance Committee Meeting, the Finance Committee requested that Supervisor Newsom work to negotiate a new deal between the City and the Golden Gate Yacht Club. Supervisor Newsom's Office has requested that this resolution be continued for one week to January 13, 1999 to allow additional time to negotiate such a deal.

#### Recommendation:

Continue the proposed resolution for one week to January 13, 1999, as requested.

Harvey M. Rose

cc: Supervisor Teng President Kaufman Supervisor Newsom Supervisor Ammiano Supervisor Bierman Supervisor Brown Supervisor Katz Supervisor Leno Supervisor Medina Supervisor Yaki Supervisor Yee Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakev

	Year Gross Revenue			nt at 10 ercent	Rent at 7.5 Percent		Difference		
1	993-94	\$	840,691	\$	84,069	S	63,052	\$	21,017
	1995	\$	598,744	S	59,874	\$	44,906	\$	14,959
	1996	\$	623,851	\$	62,385	\$	46,790	\$	15,597
	1997	\$	638,036	\$	63,804	\$	47,853	\$	15,951
	1998	\$	654,804	\$	55,480	\$	49,850	\$	16,620
15	999-2022	\$ 25	5,027,507	\$2	,602,751	\$ 1	.952,063	\$	650,688
	Total	\$ 29	3,393,643	\$2	,839,364	\$2	,204,523	\$	734,841

#### Notes/Assumptions

<sup>&</sup>quot;Gross revenue includes deduction for SBA loan payment.

<sup>\*1993</sup> Gross Revenue is for period March through December.

<sup>\*1998</sup> Gross Revenue includes 10 months actual and straight line projection for two months

<sup>\*1999-2022</sup> Gross Revenue assumes 4 percent increase per year based upon 1998 Gross Revenue as base. 2022 includes Gross Revenue only for 5 months.

Attachment



December 10, 1998

TO:

**Budget Analyst** 

FROM:

Emie Prindle

RE:

Golden Gate Yacht Harbor

You have asked for a justification for the proposed reduction In rent for the Golden Gate Yacht Club from 10 to 7.5 percent to of gross receipts. This reduction is based on an independent appraisal of the fair market rent for the property in question conducted through the Real Estate Department. To offset this reduction in rent for the first ten years of the lease, the Club has agreed that the rent would be adjusted to the fair market rent in the years 2002 and 2012. This modification will insure that the City receives a fair rent for the entire term of the lease. Moreover, the lease term would be reduced from 40 to 30 years, which is favorable to the City.

Please let me know if you need any further information on this issue.

McLaren Lodge, Golden Gate Park 501 Stanyan Street San Francisco, CA 94117-1898

FAX: (415) \$31-2099 Phone: (415) \$31-2700

Attachment 3
Page 1 of 3

# ERNST & ASSOCIATES, INC.

Hospitality and Real Estate Consulting and Appraisal Services

November 25, 1997

Ms. Suzame Mellen, MAI HVS International 116 New Montgomery Street, Suite 620 San Francisco, CA 94105

Dear Ms. Mellen:

Ernst & Associates is pleased to present this addendum letter, summarizing our major conclusions, findings and recommendations in connection with an analysis of comparable rents for the first floor of the Golden Gate Yacht Club, located in San Francisco, California. This addendum letter is subject to all of the major assumptions and/or limiting conditions set forth in our executive letter dated August 28, 1997.

#### Background and Objectives

The City and County of San Francisco, a Municipal Corporation, acting by and through the Recreation and Park Commission (Lessor) leases the Golden Gate Yacht Club dining and banquet facilities to the Golden Gate Yacht Club (Lessee). The facilities are comprised of a two-story building which is located on the San Francisco Marina, near the St. Francis Yacht Club. The City of San Francisco would like to know what the market rent would be if they leased back the downstairs portion of the building from the yacht club operator.

Originally, we confirmed with Mr. Harry Quinn that the City was interested in determining a flat rent, on a per square foot basis, not impacted by the constraints of a yacht club operation (i.e., sales generated by membership only and no public access). The findings of our original work was documented in a separate report.

This addendum letter responds to a subsequent request by Mr. Quinn to determine, if possible, what other yacht club food and beverage lease terms were and whether or not a rent of 7.5% of food and beverage sales was reasonable, assuming an operation that is impacted by sales generated by membership only and no public access.

#### Scope of Work

We attempted to identify comparable facilities for purposes of our analysis. Our research included telephone calls to the following:

Susan L. Ernst, screa 2402 Vineyard Road Novato, California 94947 415,898-0588 FAX: 415,898-0678 Affiliated With: Ceri K. Easley, Mu Easley & Associates 100 Chapatral Court, Suite 226 Anahelm Hills, California 92808-2236

- . Katherine McDermott, Dept. of Real Estate, Port of Long Beach
- . Jim Rice, Dept. of Marine Leasing, Port of Scattle
- · Gail Wasil, Superintendent of Leasing, Port of Long Beach
- Yvonne Clark, Dept. of Beaches and Harbors, Los Angeles County
- · David Sandoval, City of San Diego Port District
- · Dennis White, Port of Oakland
- Maria Smalits, Property Management Department, Port of Los Angeles (San Pedro)
- · Manager, Corinthian Yacht Chih, Tiburon
- . Jim Dickson, Treasurer, Loch Lomond Yacht Club, San Rafael
- Manager, Inverness Yacht Club
- · California Yacht Clubs, Southern California

The majority of the yacht clubs contacted would not respond to our request or indicated that they were unwilling to share data with us. The manager of the Corinthian Yacht Club indicated that they do pay a base minimum rent, plus a percentage rent, but was unwilling to divulge the actual amount. He indicated that to his knowledge, they were the only club in Marin County that leased the food and beverage facilities.

Mr. Rice at the Port of Seattle indicated that based on his experience, a rent that equated to about 6% of food and beverage sales was equitable.

Katherine McDermott mentioned that the North Harbor Restaurant, Port of Long Beach, which closed last month, catered to longshoremen and businessmen. This restaurant was not a tourist-oriented restaurant and did not have a "water theme". They charged the tenant 8% of food and beverage sales.

Gail Wasil, Port of Long Beach, indicated that all recent restaurant deals which involved cityowned buildings called for rent in the range of 6.5% to 8% of food and beverage sales, depending on specific lease criteria. The base rent was calculated on 7.5% of 75% of projected revenues.

During our original study, we concluded that rents were based primarily on a return on gross sales, and secondarily on a per square foot basis. The comparables indicate a fairly consistent range of rents, presented as a percentage of gross sales, ranging from 7% to 11%. Rents for full-service restaurants most frequently fall within a range of 6-8% of total sales. Limited-service restaurants and retail operations fall within a range of 9% to 11% of sales. We determined that the most reasonable way to estimate rent would be to first estimate sales; calculate rent as a percentage of gross and translate that into a rent per square foot.

During our original study, considering all factors, and assuming that the tenant was not impacted by the yacht club membership rules (i.e., access to the public) we concluded that the market rent for the Golden Gate Yacht Club's first floor would be reasonably stated at about 9% of gross sales or \$1.70 per square foot, whichever is greater.

Based on the input, as presented above, we believe that rent based on 7.5% of food and beverage sales is reasonable, assuming a food and beverage operation that is subject to the yacht club's membership, rules and regulations.

SF REC PARK

415 552 5216 P.25/2

Attachment 3
Page 3 of 3

HVS International November 25, 1997

Should we receive any further data or input from those contacted, subsequent to presentation of this letter, we will advise you immediately.

It has been our pleasure working with you on this project. We are available to discuss this addendum letter in detail upon your request.

Respectfully submitted,

Susan L. Ernst, ISHC

President





## City and County of San Francisco Meeting Agenda

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

### Finance Committee

Members: Supervisors Mabel Teng, Barbara Kaufman, Gavin Newsom

Clerk: Joni Blanchard

Wednesday, January 13, 1999

1:00 PM

Room 263

Regular Meeting

#### CONSENT AGENDA

All matters listed hereunder constitute a Consent Agenda, are considered to be routine and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

#### 1. 982116 [Emergency Repair, Clay Street Sewer]

Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewers in Clay Street from Stockton to Powell Streets and Joice Street from Sacramento to Clay Streets - \$255,415. (Public Utilities Commission)

12/17/98, RECEIVED AND ASSIGNED to Finance Committee.

#### 2. 982117 [Emergency Repair, Brannan Street Sewer]

Resolution approving the expenditure of funds for the emergency work to repair the structurally inadequate sewers in Brannan Street from Collin P. Kelly Jr. Street to Second Street - \$104,687. (Public Utilities Commission)

12/17/98. RECEIVED AND ASSIGNED to Finance Committee.

#### 3. 982118 [Emergency Repair, Naglee Avenue Sewer]

Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewers in Naglee Avenue from Alemany Boulevard to Cayuga Avenue - \$69,659. (Public Utilities Commission)

12/17/98, RECEIVED AND ASSIGNED to Finance Committee.

DOCUMENTS DEPT.

### REGULAR AGENDA

JAN 1 1 1999 SAN FRANCISCO PUBLIC LIBRARY

### 4. 982115 [Airport Concession Lease]

Resolution approving Boarding Areas "B" and "C" Bookstores Lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

12/17/98, RECEIVED AND ASSIGNED to Finance Committee.

#### 5. 982130 [Government Funding]

Supervisors Katz, Leno, Newsom

Ordinance appropriating \$979,000, Telecommunication and Information Services, from the General Fund-designated for one-time expenditures to finance the creation of the City's Year 2000 team project which serves as the centralized planning and assistance group; for the general City responsibility for fiscal year 1998.

(Fiscal impact.)

12/21/98, RECEIVED AND ASSIGNED to Finance Committee.

#### 6. 990004 [Reserved Funds, DTIS]

Hearing to consider release of reserved funds, Department of Telecommunications and Information Services, (General Fund Reserve, Ordinance 195-98), in the amount of \$499,000 to fund the implementation of Fiber Optic Network and the development of an Internet On-Line Processing Plan. (Department of Telecommunications and Information Services)

12/31/98, RECEIVED AND ASSIGNED to Finance Committee.

#### 7. 981719 [Audit of Transient Occupancy Tax Payments]

Supervisor Newsom

Resolution urging the Tax Collector to conduct an audit of transient occupancy tax payments from certain single room occupancy hotels. (Mayor)

10/13/98, RECEIVED AND ASSIGNED to Finance Committee.

12/16/98, CONTINUED. Speakers: None. Continued to the January 6, 1999 meeting.

1/6/99, CONTINUED. Speakers: None. Consideration continued to the next regularly scheduled Finance Committee Meeting.

#### ADJOURNMENT

#### IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceeding begins, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to Committee Clerk, Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, California 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

#### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions

There are no items now pending in the Committee that fall under the 30-day Rule.

Watch future agendas for matters.

### **Disability Access**

Both the Committee Room (Room 263) and the Chamber (Room 250) are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, the #71 Haight/Noriega, the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.

Assitive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 244 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704. For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

Finance Committee S.F. Board of Supervisors City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

0.25 1 3/99

CITY AND COUNTY



OF SAN FRANCISCO

### BOARD OF SUPERVISORS

#### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 8, 1999

TO:

"Finance Committee

FROM:

Budget Analyst Recommendations for meeting of

SUBJECT: January 13, 1999 Finance Committee Meeting

DOCUMENTS DEPT.

SAN FRANCISCO PUBLIC LIBRARY

<u>Item 1 – File 98-2116</u>

Department:

Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item:

Resolution authorizing expenditure of funds for the emergency work to replace the structurally inadequate sewer on Clay Street from Stockton Street to Powell Street, and on Joice Street from Sacramento Street to

Clay Street.

Amount:

\$255,415

Source of Funds:

FY1998-99 PUC Repair and Replacement Fund

Description:

The PUC advises that on July 17, 1998, the sewer located on Clay Street from Stockton Street to Powell Street, and on Joice Street from Sacramento Street to Clay Street collapsed, and immediate repairs were required in order to protect the health, welfare, and property of the citizens of San Francisco. PUC declared an emergency on July 20, 1998. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures, and awarded a contract to Troy's

Contracting/Trinet Construction Inc., a Joint Venture, in the amount of \$207.765.

Budget:

The total estimated project cost is \$255,415, including \$207,765 in actual construction costs (or \$9,375 less than the quotation amount; see Comment No. 2) and \$47,650 for DPW engineering and construction management costs.

A summary of this budget is as follows:

Construction Contract	\$207,765
DPW Bureau of Engineering	27,650
DPW Bureau of Construction Management	20,000

Total \$255,415

Attachment I provided by the DPW provides further budget details to support this \$207,765 budget. Attachment II provided by the DPW details the DPW Bureau of Engineering and Bureau of Construction Management costs.

Comments:

1. The Invitations for Proposals were faxed to 17 contractors on July 24, 1998. Two quotations were received by PUC from qualified contractors on July 28, 1998. PUC reports that Troy's Contracting/Trinet Construction Inc., a Joint Venture, submitted the lowest quotation and was awarded the contract in the amount of \$217,140. The following table lists the who contractors submitted quotations and the amounts of these quotations:

ContractorQuotationTroy's Contracting/Trinet Construction Inc., JV\$217,140McNamara & Smallman Company, Inc.\$219,670

2. PUC reports that although the contract was awarded in the amount of \$217,140, the final contract cost, after adjustment for actual quantities used during construction, was \$207,765 or \$9,375 less than the contract amount of \$217,140.

- 3. PUC reports that the repair work of the damaged sewer began on August 3, 1998 and was completed on September 1, 1998.
- 4. Mr. Iqbal Dhapa of the DPW advises that due to various delays in receiving expenditure documentation from the contractor the PUC is requesting approval of this resolution over four months after the construction work was completed.

Recommendation:

Approve the proposed resolution.



### **AGENDA ITEM**

DEPARTMENT	Utilities Engineering Bureau	AGENDA NO.	
		MEETING DATE	December 15, 1998

#### SUMMARY OF PROPOSED ACTION:

Approval of the Declaration of Emergency by the President of the Public Utilities Commission for Clean Water Contract No. CW-199E, "Clay/Joice Streets Emergency Sewer Replacement" and Requesting the Board of Supervisors to Approve expenditure of funds for emergency work to replace the structurally inadequate sewers in Clay Street from Stockton to Powell Streets and Joice Street from Sacramento to Clay Streets.

#### **DESCRIPTION OF PROPOSED ACTION:**

The work performed under this Emergency consisted of constructing 504 linear feet of 18" diameter and 256 linear feet of 12" diameter vitrified clay pipe (VCP) sewers on crushed rock bedding, concrete manholes, 10-inch diameter VCP culvert, videotaping existing active side sewers; replacing damaged side sewers, removing existing sewers and manholes; videotaping the newly constructed main sewers; traffic routing and trench support work; removing railroad tracks, wooden ties and cable car yokes; plugging and filling existing sewers with slurry grout, and all related and incidental work on Clay Street from Stockton to Powell Streets and Joice Street from Sacramento to Clay Streets. This work included all planning, design, and construction support services (under Job Order No. 1618N).

The invitations for proposal were faxed to seventeen (17) Contractors on July 24, 1998.

Two (2) quotations were received on July 28, 1998 as follows:

APPROVALS:		
DEPARTMENT / BUREAU	FINANCE	
UTILITIES ENGR. BUREAU	GENERAL MANAGER	
COMMISSION SECRETARY		

	Firm	Quote Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	Troy's / Trinet JV (LBE/MBE/JV) San Francisco, CA 94134	\$217,140.00	10%	\$195,426.00	1
2.	McNamara & Smallman Construction (LBE)	\$219,670.00	5%	\$208,686.50	2
	San Francisco, CA 94116	,			

(\*) For comparison of quotes after application of business enterprise preferences.

Work is of lump sum and unit bid item type.

Application of business enterprise preferences in accordance with Chapter 12D of the San Francisco Administrative Code did not change the final ranking of the lowest quotation.

The Engineer's Estimate for this contract was \$190,000.00. The original contract as awarded to Troy's/Trinet Joint Venture was for \$217,140.00. The final contract cost after adjustment for actual quantities used during construction is \$207,765.00.

Therefore, the cost of this project is estimated to be \$255,415.00:

Bureau of Engineering (Planning, Design, and Construction Support)	\$27,650.00
Bureau of Construction Management (Construction Inspection)	\$20,000.00
Final Construction Contract Cost	\$207,765.00
Total Project Cost	\$255,415.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the R&R Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNRR988, Job Order No. 1618N).

#### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

#### Schedule

Troy's / Trinet Joint Venture began the work on August 3, 1998 and completed it on September 1, 1998.

#### CONTEXT OF THIS ACTION:

In July 1998, PUC Sewer Operations nonfied the Hydraulic Engineering Section of the Bureau of Engineering that the existing 3'x5'brick sewer located in Clay Street from Stockton to Powell Streets and 12-inch diameter sewer located in Joice Street from Sacramento to Clay Streets had collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare an Emergency Contract to replace these sewers.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on July 20,1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

- 3. Resolution
- 4. Draft Board of Supervisors Resolution

Cont	act Person: Mr	Norman Chan	Phone: <u>554-8355</u>	
cc:	B. Lim	C. Tang	M. Williams	P. Cheng
	C. Jacobo	F. Bongolan	P. Law	P. Scott

## Cost Breakdown for (J.O. # 1618N, Contract # CW-199E) Clay/Joice Streets Emergency Sewer Replacement

### Bureau of Engineering

Classification	Title	R	ate	Hours	Cost
5504	Project Manager II	\$	92	18	\$ 1,656
5206	Associate Civil Engineer	\$	75	190	\$ 14,250
5362	Civil Engineering Assistant II	\$	50	115	\$ 5,750
5382	Engineering Trainee III	\$	40	60	\$ 2,400
1426	Secretary	\$	45	80	\$ 3,600
			_		\$ 27,65

Rounded: \$ 27,650

### **Bureau of Construction Management**

Classification	Title	I	Rate	Hours		Cost
5210	Senior Civil Engineer	\$	100	12	\$	1,200
5208	Civil Engineer	S	80	20	\$	1,600
5204	Assistant Civil Engineer	\$	61	100	\$	6,100
6318	Construction Inspector	\$	74	150	\$	11,100
					5	20.000



#### <u>Item 2 - File 98-2117</u>

Department: Public Utilities Commission (PUC)

Department of Public Works (DPW)

Item: Resolution approving the expenditure of funds for the

emergency work to repair the structurally inadequate sewer on Brannan Street from Collin P. Kelly Street to

Second Street.

Amount: \$104,687

Source of Funds: 1994 Sewer Revenue Bond Fund

Description: The PUC advises that on June 26, 1998, the sewer located

on Brannan Street from Collin P. Kelly Street to Second Street collapsed, and immediate repairs were required in order to protect the health, welfare, and property of the citizens of San Francisco. The PUC declared an emergency on July 1, 1998. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures, and awarded a contract to Troy's Contracting/Trinet Construction Inc., a joint

venture, in the amount of \$80,037.

Budget: The total estimated project cost is \$104,687, including

\$80,037 in actual construction costs (or \$2,943 less than the quotation amount, see Comment No. 2) and \$15,650 for DPW engineering and construction management costs.

A summary of this budget is as follows:

Construction Contract \$80,037
DPW Bureau of Engineering 12,650
DPW Bureau of Construction Management 9,000
Department of Parking and Traffic 3.000

Total \$104,687

Attachment I provided by the DPW provides further budget details to support this \$104,687 budget. Attachment II provided by the DPW details the DPW Bureau of Engineering and Bureau of Construction

Management costs, and the Department of Parking and Traffic costs.

Comments:

1. The Invitations for Proposals were faxed to 17 contractors on July 7, 1998. Two quotations were received by PUC from qualified contractors on July 9, 1998. PUC reports that Troy's Contracting/Trinet Construction Inc., a Joint Venture, submitted the lowest bid and was awarded the contract in the amount of \$82,980. The following table lists the contractors who submitted quotations and the amounts of the quotations:

ContractorQuotationTroy's Contracting/Trinet Construction Inc., JV\$82,980D'Arcy & Harty Construction Company\$87,930

- 2. PUC reports that although the contract was awarded in the amount of \$82,980, the final contract cost, after adjustment for actual quantities used during construction, was \$80,037 or \$2,943 less than the contract amount of \$82,980.
- 3. PUC reports that the repair work of the damaged sewer began on July 14, 1998 and was completed on August 3, 1998.
- 4. Mr. Iqbal Dhapa of the DPW advises that due to various delays in receiving expenditure documentation from the contractor, the PUC is requesting approval of this resolution over five months after the construction work was completed.

Recommendation:

Approve the proposed resolution.



## **AGENDA ITEM**

DEPARTMENT	Utilities Engineering Bureau	AGENDA NO.	
		MEETING DATE	December 15, 1998
CID <b>OLAB</b> V OF	PROPOSED ACTION:		
SUMMARI OF	PROPOSED ACTION:		
Water Contract No the Board of Supe	eclaration of Emergency by the Preside to. CW-197E, "Brannan Street Emerge rvisors to Approve expenditure of fund in Brannan Street from Collin P. Kelly	ncy Side Sewer Repla is for emergency work	acement" and Requesting to repair the structurally
DESCRIPTION	OF PROPOSED ACTION:		
work; videotaping clay pipe (VCP) o 8-inch diameter si constructed main reconstructing the Street from Colli	ned under this Emergency consisted of existing active side sewers; construction crushed rock bedding, 10-inch diametide sewer connections; removing existed sewers; cleaning existing catchbasins; concrete curb and sidewalk pavement in P. Kelly Jr. Street to Second Street, out services (under Job Order No. 1617)	ng 224-linear feet of eter VCP culverts, cor- ting sewers and manl installing cast-iron wa and all related and ind This work included	12-inch diameter vitrified nerete manholes, and 6 or holes; videotaping newly ater traps for catchbasins; cidental work on Brannan
The invitations for	r proposals were faxed to seventeen (1	7) contractors on July	7, 1998.
Two (2) Quotation	ns were received on July 9, 1998 as fol	lows:	
APPROVALS:			
DEPARTMENT/ SURGAU		FINANCE	
UTILITIES ENGR. BUREAU		GENERAL MANAGER	

	Firm	Quota Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	Troy's / Trinet JV (LBE/MBE/JV) San Francisco, CA 94134	\$82,980.00	10%	\$74,682.00	1
2.	D'arcy & Harty Construction (LBE) San Francisco, CA 94124	\$87,930.00	5%	\$83,533.50	2

(\*) For comparison of quotes after application of business enterprise preferences.

Work is of lump sum and unit bid item type.

Application of business enterprise preferences in accordance with Chapter 12D of the San Francisco Administrative Code did not change the final ranking of the lowest quotation.

The Engineer's Estimate for this contract was \$81,420.00. The original contract as awarded to Troy's / Trinet Joint Venture was for \$82,980.00. The final contract cost after adjustment for actual quantities used during construction is \$80,037.00.

Therefore, the cost of this project, including the change order, is estimated to be \$104,687.00:

Department of Parking and Traffic	\$ 3,000.00
Bureau of Engineering (Planning, Design, and Construction Support)	\$12,650.00
Bureau of Construction Management (Construction Inspection)	23,000,00 \$ 9,000.
Final Construction Contract Cost	\$80,037.00
Total Project Cost	\$104.687.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the 1994 Sewer Bond (Fund 5C/CPF/95A, FAMIS Project No. CENSR4SI42, Job Order No. 1617N).

#### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

#### Schedule

Troy's / Trinet Joint Venture began the work on July 14, 1998, and completed it on August 3, 1998.

#### CONTEXT OF THIS ACTION:

In June 1998, PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that the existing 8-inch diameter VCP side sewer located in Brannan Street from Collin P.

1617 M - Pg 3

Kelly Jr. Street to Second Street had collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare and Emergency Contract to repair this sewer.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on July 1, 1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

Resolution

4. Draft Board of Supervisors Resolution

Contact Person: Mr. Norman Chan Phone: 554-8355

cc: B. Lim C. Tang M. Williams P. Cheng C. Jacobo F. Bongolan P. Law P. Scott M. Wong

## Cost Breakdown for (J.O. # 1617N, Contract # CW-197E) Brannan Street Emergency Sewer Replacement

## Bureau of Engineering

Classification	Title	R	ate	Hours		Cost
5504	Project Manager II	\$	92	8	S	736
5206	Associate Civil Engineer	\$	75	26	\$	1,950
5366	Civil Engineering Associate II	\$	63	70	\$	4,410
5204	Assistant Civil Engineer	\$	61	55	\$	3,355
5382	Engineering Trainee III	\$	40	22	S	880
1426	Secretary	\$	45	30	\$	1,350
			_		\$	12,681

Rounded:

12,650

### **Bureau of Construction Management**

Title	F	late	Hours		Cost
Senior Civil Engineer	S	100	6	\$	600
Civil Engineer	S	80	10	\$	800
Assistant Civil Engineer	\$	61	40	\$	2,440
Construction Inspector	\$	74	70	\$	5,180
	Senior Civil Engineer Civil Engineer Assistant Civil Engineer	Senior Civil Engineer S Civil Engineer S Assistant Civil Engineer \$	Senior Civil Engineer S 100 Civil Engineer S 80 Assistant Civil Engineer \$ 61	Senior Civil Engineer   S   100   6     Civil Engineer   S   80   10     Assistant Civil Engineer   \$   61   40	Senior Civil Engineer         \$ 100         6         \$           Civil Engineer         \$ 80         10         \$           Assistant Civil Engineer         \$ 61         40         \$

9,020

Rounded: \$ 9,000

## Department of Parking and Traffic

Classification	Title	F	Rate	Hours		Cost
5232	Senior Traffic Engineer	S	100	2	\$	200
5230	Traffic Engineer	S	80	2	S	160
5228	Assistant Traffic Engineer	S	61	25	\$	1.525
5362	Civil Engineering Assistant II	\$	50	22	S	1,100
					S	2,985

Rounded: \$ 3,000

#### Item 3 - File 98-2118

Department: Public Utilities Commission (PUC)

Department of Public Works (DPW)

Item: Resolution approving the expenditure of funds for the

emergency work to repair the structurally inadequate sewer on Naglee Avenue from Alemany Boulevard to

Cayuga Avenue.

**Amount:** \$69,659

Source of Funds: FY 1997-98 PUC Repair and Replacement Fund

Description: The PUC advises that on June 16, 1998, the sewer located

on Naglee Avenue from Alemany Boulevard to Cayuga Avenue collapsed, and immediate repairs were required in order to protect the health, welfare, and property of the citizens of San Francisco. The PUC declared an emergency on June 16, 1998. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures, and awarded a contract to D'Arcy & Harty Construction Company in the amount

\$51,009.

Budget: The total estimated project cost is \$69,659, including

\$51,009 in actual construction costs (or \$1,796 less than the quotation amount; see Comment No. 2) and \$18,650 for DPW engineering and construction management costs.

A summary of this budget is as follows:

Construction Contract \$51,009
DPW Bureau of Engineering 10,650
DPW Bureau of Construction Management 8,000

Total \$69,659

Attachment I provided by the DPW provides further budget details to support this \$69,659 budget. Attachment II provided by the DPW details the DPW Bureau of Engineering and Bureau of Construction Management costs.

#### Comments:

1. The Invitations for Proposals were faxed to 17 contractors on June 22, 1998. Two quotations were received by PUC from qualified contractors on June 24, 1998. PUC reports that D'Arcy & Harty Construction Company submitted the lowest quotation and was awarded the contract in the amount of \$52,805. The following table lists the contractors who submitted quotations and the amounts of the quotations:

ContractorQuotationD'Arcy & Harty Construction Company\$52,805Troy's Contracting/Trinet Construction Inc., JV\$63,210

- 2. PUC reports that although the contract was awarded in the amount of \$52,805, the final contract cost, after adjustment for actual quantities used during construction, was \$51,009 or \$1,796 less than the contract amount of \$52,805.
- 3. PUC reports that the repair work of the damaged sewer began on June 26, 1998 and was completed on July 5, 1998.
- 4. Mr. Iqbal Dhapa of the DPW advises that due to various delays in receiving expenditure documentation from the contractor, the PUC is requesting approval of this resolution over six months after the construction work was completed.

Recommendation:

Approve the proposed resolution.



## **AGENDA ITEM**

STATE OF THE			
DEPARTMENT	Utilities Engineering Bureau	AGENDA NO.	
		MEETING DATE	December 15, 1998

#### SUMMARY OF PROPOSED ACTION:

Approval of the Declaration of Emergency by the President of the Public Utilities Commission for Clean Water Contract No. CW-190E, "Naglee Avenue Emergency Sewer Replacement" and Requesting the Board of Supervisors to Approve expenditure of funds for emergency work to replace the structurally inadequate sewer in Naglee Avenue from Alemany Boulevard to Cayuga Avenue.

#### DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of constructing 116 linear feet of 18-inch diameter polyethylene pipe (PE.P) sewer by pipe bursting method; constructing concrete manholes, 10-inch diameter VCP culvert, videotaping existing active side sewers; replacing damaged side sewers, removing existing sewers and manholes; videotaping the newly constructed main sewers; trench support work, and all related and incidental work on Naglee Avenue from Alemany Boulevard to Cayuga Avenue. This work included all planning, design, and construction support services (under Job Order No. 1610N).

The invitations for proposals were faxed to seventeen (17) contractors on June 22, 1998.

Two (2) Quotations were received on June 24, 1998 as follows:

APPROVALS:		
DEPARTMENT/ BUREAU	FINANCE	
UTILITIES ENGAL BUREAU	GENERAL MANAGER	
COMMISSION SECRETARY		

Post-It® Fax Note 7671	Date 1/6/99 papes > 9
TO RICHARD	From IOBAL DHAPA
Co./Dept.	CO SFORW - BOE
Phone # 554-7642	Phone # 554 - 8937
Fax # 252 - 0461	Fax : 554 - 8308

	Firm	Quote Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	D'arcy & Harty Construction (LBE) San Francisco, CA 94124	\$52,805.00	5%	\$50,164.75	1
2.	Troy's / Trinet JV (LBE/MBE/JV) San Francisco, CA 94134	\$63,210.00	10%	\$56.889.00	2

(\*) For comparison of quotes after application of business enterprise preferences.

Work is of lump sum and unit bid item type.

Application of business enterprise preferences in accordance with Chapter 12D of the San Francisco Administrative Code did not change the final ranking of the lowest quotation.

The Engineer's Estimate for this contract was \$42,000.00. The original contract as awarded to D'arcy & Harty Construction was for \$52,805.00. The final contract cost after adjustment for actual quantities used during construction is \$51,009.00.

Therefore, the cost of this project, including the change order, is estimated to be \$69,659.00:

Bureau of Engineering (Planning, Design, and Construction Support)	\$10,650.00
Bureau of Construction Management (Construction Inspection)	\$8,000.00
Final Construction Contract Cost	\$51,009.00
Total Project Cost	\$69,659.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the R&R Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNR982, Job Order No. 1610N).

#### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

#### Schedule

D'arcy & Harty Construction began the work on June 26, 1998 and completed it on July 5, 1998.

#### CONTEXT OF THIS ACTION:

In June 1998, PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that the existing 18-inch diameter sewer located in Naglee Avenue from Alemany Boulevard

to Cayuga Avenue had broken and collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare and Emergency Contract to replace this sewer.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on June 16, 1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

161417

Resolution

4. Draft Board of Supervisors Resolution

Contact Person: Mr. Norman Chan Phone: 554-8355

cc: B. Lim C. Tang M. Williams P. Cheng C. Jacobo F. Bongolan P. Law P. Scott

# Cost Breakdown for (J.O. # 1610N, Contract # CW-190E) Naglee Avenue Emergency Sewer Replacement

## Bureau of Engineering

Classification	Title	R	ate	Hours		Cost
5504	Project Manager II	S	92	7	\$	644
5206	Associate Civil Engineer	\$	75	75	S	5,625
5362	Civil Engineering Assistant II	\$	50	45	S	2,250
5382	Engineering Traince III	S	40	20	S	800
1426	Secretary	\$	45	30	\$	1,350
						10.660

\$ 10,669

Rounded: \$ 10,650

## **Bureau of Construction Management**

Classification	Title	Rate	Hours		Cost
5210	Senior Civil Engineer	\$ 100	5	S	500
5208	Civil Engineer	\$ 80	10	S	800
5204	Assistant Civil Engineer	\$ 61	35	S	2,135
6318	Construction Inspector	\$ 74	62	S	4.588
				S	8,023

Rounded: \$ 8,000

Post-It® Fax Note 7671	Date 1/6/99 pages 3
TO RICHARD RAYA	From IGBAL DHAPA
CO.DOOL GUDGET	CO. SFDPW - BOE
Phone : 554 - 7642	Prone # 554 - 8337
Fax 252 - 0461	Fax = 554 - 8308

Item 4 - File 98-2115

Department: Airport Commission

Item: Resolution authorizing a new Concession Lease between

Host International, Inc. (Host) and the City and County of San Francisco, acting by and through the Airport Commission for Boarding Areas "B" and "C" Bookstores in the South Terminal of San Francisco International Airport.

Locations: South Terminal of the Airport, Boarding Area "B and

Boarding Area "C"

Purpose of Lease: Concession space for the purpose of selling newspapers,

periodicals, books, and various other items (See Description

Section below).

Lessor: City and County of San Francisco through the Airport

Commission

Lessee: Host International, Inc.

Square Footage: Approximately 2,857 square feet in total at two locations,

consisting of 1,573 square feet for Boarding Area "B" and

1,284 square feet for Boarding Area "C."

Term of Lease: The proposed concession lease would commence on April 11,

1999 for a period of five years, terminating on April 10, 2004.

Annual Rent Payable by Host to Airport:

For Year 1, the annual rent payable by Host to the Airport is \$410,000, which is the Minimum Annual Guarantee. For Years 2 through 5, annual rent payable to the Airport will be the greater of either the Minimum Annual Guarantee of \$410,000, or 10% of gross receipts up to \$1,000,000, plus 12%

of gross receipts in excess of \$1,000,000.

Under the existing lease, which expires on January 10, 1999, Host pays a Minimum Annual Guarantee of \$2,565,477 for 9,037 square feet, covering nine locations in the South

Terminal for Boarding Areas "B" and "C."

As previously noted, under the proposed lease, Host would pay a Minimum Annual Guarantee of \$410,000 for 2,857

square feet for two locations in the South Terminal. The 6,180 square feet (9,037 square feet less 2,857 square feet) for the remaining seven locations have been awarded to another concessionaire, Pacific Gateway Concessions, LLC, under a separate lease (Pacific Gateway lease) as previously approved by the Board of Supervisors (File No. 98-1790). Pacific Gateway pays the Airport a Minimum Annual Guarantee of \$2,170,000.99.

Therefore, approval of the proposed lease, together with the already approved Pacific Gateway lease, would result in a grand total Minimum Annual Guarantee of \$2,580,000.99, which represents an overall increase of \$14,523.99 per year over the \$2,565,477 in annual rental revenues payable to the Airport under the existing lease agreement with Host.

Utilities and Janitorial Services:

The Lessee will pay for the costs of all utilities and janitorial services

Right of Renewal: None.

Tenant Improvements:

Ms. Teresa Rivor, Senior Property Manager for the Airport, states that Host would be required to invest a minimum of \$428,550, based on \$150 per square foot to renovate the subject leased space. According to Ms. Rivor, the tenant improvements have not yet been made.

Under the terms of the proposed lease, Host would have the option to request Airport approval of two temporary facilities in front of the two subject lease locations to sell merchandise during the period of such renovations, estimated to take 90 days. During such time, Host would pay the Airport a percentage rent of 12 percent of gross revenues.

# Description of Proposed Lease:

Under the proposed lease, Host would use the bookstores lease in Boarding Areas "B" and "C" to operate two "focused bookstores." Under the terms of the proposed lease, Host would be required to sell the following: local, daily, and out-of-town newspapers; 125 separately displayed titles of magazines and periodicals; 2,500 separately displayed titles of paperback and hardback books; and book-related items as

designated by the proposed lease agreement. Host would be permitted to sell only those optional products designated by the terms of the proposed lease agreement.

Comment:

Ms. Rivor reports that the Airport Commission awarded the subject lease to Host International, based on the determination that Host submitted the highest responsive and qualified Minimum Annual Guarantee bid. Bids were received from the following three firms:

	<u>Minimum</u>
Bidder	Annual Guarantee
Host International, Inc.	\$ 410,000.00
Benjamin Company	\$ 379,526.00
W. H. Smith	\$ 302,000.00

Recommendation: Approve the proposed resolution.



Item 5 - File 98-2130

Department:

Department of Telecommunications

Information Services (DTIS)

Item:

Supplemental appropriation of \$979,000 from the City's General Fund designated for one-time expenditures to finance the creation of the City's

and

Year 2000 Team Project.

Amount:

\$979,000

Source of Funds:

General Fund

Description:

The proposed supplemental appropriation would provide a Year 2000 City-wide resource team for technical assistance, monitoring, testing and potential implementation of necessary changes to equipment, vehicles and systems that could be affected by the year 2000 date, as a result of dependence on internal computer systems that are programmed to only accommodate dates through December 31, 1999.

During the Fall of 1998, the City's Committee on Information Technology (COIT) conducted a series of interviews with 12 major City departments that provide critical public services to identify the status of the City's Year 2000 planning efforts. According to Mr. Matthew Hymel, the Mayor's Budget Director, these interviews with the departments indicated that although the City's major computer systems (i.e., Controller's FAMIS and BPREP accounting, payroll and budget systems, the Health Services System, Department of Human Services General Assistance, Food Stamp and Child Welfare systems) are Year 2000 compliant or in the process of being remedied, other critical City functions may be at risk. For example, embedded computer chips may affect Police, Fire, Department of Public Works (DPW) and Muni vehicle fleets and fueling stations, medical equipment required for patient care, City traffic signals, building systems that control elevators and heating, ventilation and air conditioning (HVAC),

fire alarms and security systems. Mr. Hymel advises that some City departments have not fully addressed many of the issues of equipment, vehicle and system failures due to non-compliant service vendors or embedded chips that may fail within existing equipment, vehicles and computer systems throughout the City.

This proposed supplemental appropriation is intended to be a one-time project to create a Year 2000 team of both in-house staff and outside consultants to primarily provide technical assistance, monitoring, testing and implementation of Year 2000 compliance requirements. The proposed Year 2000 Team would assist City department efforts to remedy Year 2000 problems, either through chip replacement or transition to new equipment.

Budget:

A summary project budget for the proposed supplemental appropriation, is as follows:

Department Monitors	\$285,000
Legal Assistance	94,000
Pooled Resources	500,000
Administration	100,000
Total	\$979,000

Mr. Hymel notes that the proposed supplemental appropriation would be funded on a project basis. which allows the proposed funding to be carried forward after the FY 1998-99 budget year ends, to complete the work needed on the Year 2000 Project. Attachment I provided by Mr. Hymel contains explanations for this \$979,000 request (see Comment No. 5). This supplemental appropriation does not authorize the hiring of any permanent City positions. Mr. Hymel advises that although most of the proposed funds will be used for staffing requirements, a separate Salary Ordinance is not required to implement the proposed supplemental appropriation because the authorization for any positions would come from existing position authorizations. Hiring of any new permanent

positions would require the future approval of the Board of Supervisors.

#### Comments:

- 1. In FY 1995-96, the Controller recommended and the Mayor and the Board of Supervisors concurred that \$16.8 million in one-time revenue received from a change in the method of accounting for Sales Tax and Motor Vehicle In Lieu Tax revenue be placed on reserve and used only for capital or other projects that need one-time infusions of funds. Since that time, specific project appropriations have been made from this ongoing one-time reserve, and the present reserve balance is \$3,891,000. If the proposed supplemental appropriation of \$979,000 is approved, the balance in this one-time reserve fund would be \$2,912,000.
- 2. Attachment II identifies the current status of Year 2000 efforts by the 12 City departments that provide critical public services. The 12 critical City departments include (1) Police Department, (2) Fire Department, (3) Health Department, Department of Human Services, (5) Department of Public Works, (6) Department of Parking and Traffic, (7) Real Estate Department, (8) Water Department, (9) Airport, (10) Sheriff's Department, (11) Trial Courts and (12) Department of Transportation/ Muni. Mr. Hymel notes that while the focus of the proposed Year 2000 Team Project will be on these 12 City departments, all City departments will be held accountable for becoming Year 2000 compliant. As a result, Mr. Hymel reports that the staff and services to be funded with the proposed supplemental appropriation would be available for all City departments.
- 3. In both the FY 1997-98 and FY 1998-99 budgets, \$500,000 was included under the General City Responsibilities budget category, for a total of \$1,000,000 for the Year 2000 Project. According to Mr. Hymel, these previous appropriations were used to fund the remediation of the City's payroll system (\$247,000), Health Services System (\$186,000), Mayor's Emergency Telephone System (\$65,000) the Court Management System

(\$126,000) as well as several smaller projects in the City. The current balance in the Year 2000 Project is approximately \$25,000.

The City has entered into an as-needed contract with Logix, an embedded chips consulting firm, using these remaining funds of \$25,000. Logix will begin assessing the City's exposure to noncompliant chips in vehicles, elevators, medical and other equipment. Completion of a Citywide effort, according to Mr. Hymel, will require the proposed additional supplemental appropriation of funds for the expanded Year 2000 Project. Therefore, the proposed supplemental appropriation of \$979,000 would be in addition to the \$1,000,000 which was previously appropriated for the Year 2000 Project.

- 4. Mr. Hymel also notes that individual City department budgets may contain additional funding requests in the FY 1999-2000 budget to replace defective equipment or accelerate equipment replacement schedules. As of the writing of this report, Mr. Hymel could not identify the amount of additional funds that may be needed or the types of equipment that may need replacement in the FY 1999-2000 budget, until the existing equipment is tested and potential remedies implemented, which should occur with the proposed supplemental funding. Mr. Hymel reports that Logix, or another firm may be retained, with the proposed supplemental appropriation of funds to conduct training sessions for City department staff on potential problems and means of testing and identifying problems with particular vehicles. elevators, etc.
- 5. Mr. Hymel reports that, given the limited amount of time that the City has to become Year 2000 compliant, DTIS needs to be flexible regarding whether the proposed funds would be used to fund temporary positions or to fund consultants that would be used to conduct specific tasks. According to Mr. Hymel, much of the specifics will depend on availability and expertise of staffing within the City, which has not yet been

determined. Therefore, Mr. Hymel reports that Attachment I. which contains some additional budget explanations, does not provide a detailed budget regarding the number or classification of City positions, the cost of each position, or the consultants that may be retained. According to Mr. Hymel, other than Logix consultants, who were previously retained as an embedded chip expert consulting firm from previously appropriated funds, no specific consultants have yet been selected for the proposed supplemental appropriation.

- 6. Given the importance of the Year 2000 Project, and the limited amount of time remaining until the end of 1999, the Budget Analyst recommends that COIT, with the assistance of DTIS staff, provide quarterly status reports to the Board of Supervisors regarding the Year 2000 Project. Such status reports should identify areas of Year 2000 compliance as well as any potential problem areas that may arise within each City department.
- 7. While the Budget Analyst acknowledges the critical need to make the City's equipment, vehicles and systems Year 2000 compliant, given the lack of a detailed budget regarding the costs for such compliance and the potential unknown additional costs for this project, the Budget Analyst considers the approval of the proposed \$979,000 for such a purpose to be a policy matter for the Board of Supervisors.

### Recommendations:

- 1. Amend the proposed ordinance to require that COIT, with the assistance of DTIS staff, provide quarterly status reports to the Board of Supervisors regarding the Year 2000 Project.
- 2. Amend the proposed ordinance to provide that if any new positions are to be subsequently created as a result of this one-time expenditure request of \$979,000, that such positions be categorized as Limited Tenure (L) positions.

3. Approval of the proposed supplemental appropriation, as amended, is a policy matter for the Board of Supervisors.

## Year 2000 Project Budget

	Hourly Rate	Anticipated Service Hours	Total
DEPARTMENT MONITORS	50	5,700	285,000

Duties: Work with departments to develop Y2K implementation and contingency plans, monitor current

department compliance and progress, disseminate common information, handle all public inquiries.

hold city training sessions, maintain central information repository, report to COIT

and the Board of Supervisors.

LEGAL ASSISTANCE 145 550 94,0	LEGAL ASSISTANCE	145	650	94,000
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Duties: Assist departments with contract negoatiation with vendors to ensure system compliance and satisfy the City's "due dillegence" requirements.

POOLED RESOURCES 200 2,500 500,000

Duties: As-needed pool of resources to be drawn on for technical expertice, primarily from outside vendors for system and equipment consultation and, as required, remediation

ADMINISTRATION (10%) 100,000

TOTAL 979,000

Note: Hourly rates are composite rates that include fringe benefits

#### II. CURRENT STATUS OF YEAR 2000 EFFORTS

The following findings are the result of the COIT interviews with mission-critical departments.

#### Critical Computer Systems

The majority of department year 2000 efforts to date have been focused on ensuring compliance of critical computer systems. Accordingly, departments have made greater progress to overcome potential problems associated with their computer systems than on other year 2000 issues. It is clear, however, that significant work remains uncompleted to ensure these systems retain full functionality beyond the millennium.

- General Assistance, Food Stamps, and TANF. These functions are all handled by what is known as the Case Data System, a vendor supplied application used by a consortium of 18 counties. A compliant version was installed at DTIS on behalf of the Department of Human Services (DHS) in the spring of 1998. Certification testing with year 2000 dates is planned to take place this quarter, 1998.
- Child Welfare Services. This program is supported by a state-wide case management system that was recently developed and designed to be Year 2000 compliant. This IBM system is used by all counties in the state and resides at a facility in Colorado.
- In-Home Provider Services. This application is resident on a state system (CMIPS). In home services are provided by many agencies in the City. The role of DHS is to transmit time records in order for CMIPS to issue payments to the service providers. This system is reported by the state to be non-compliant. Remedy is in progress with an estimated date of March 1999 for completion. Payroll compliance status is expected to be completed on time, but management reporting may be delayed.
- FAIR / Food Stamp Outlets. Some of the computer equipment used is non-compliant, but it has been determined that non-compliance will not interfere with the provision of services. Food stamp issuance is not jeopardized.
- The Shared Medical System. SMS is the core system within the Department of Public Health (DPH). This system is used for patient accounting as well as patient care. SMS is contractually obligated to obtain Year 2000 certification. The application, which is resident in Philadelphia is accessed remotely. Testing of local modifications became an issue, but has been overcome in that DPH will be able to test for compliance. Full certification is expected to be achieved in January 1999. Testing of local modifications will take place in March 1999. Other locally developed computer programs have already been remediated
- Enhanced 911-Dispatch. The new E911 system is under development by the Department of Emergency Communications. Compliance is planned by the vendors

involved. Compliance verification must be included as part of the City's acceptance of the new system. The current implementation is planned for September 1999.

- Interim 911-Dispatch. The vendor of the 911-Dispatch software has stated that the system is compliant. However, the computer (Stratus) on which the system resides is not currently compliant. Compliance can be achieved by applying an upgrade; however, a detailed analysis must be performed to determine the need and cost for this upgrade.
- Muni's Revenue Collections. This computer system is currently non-compliant. Thus while the fare boxes can receive money, the ability of Muni to gather the revenue information will not be possible. Some questions have arisen regarding the ability of the probe which withdraws the funds to function properly. Plans should be made to test this capability.
- Automated Train Control System (ATCS). The recently-installed system that controls underground Muni train flow has been tested, and passed. However, the interface with the underground display system has not yet been tested.
- Police Records Management System. The existing records management system is not compliant. Major portions of this system are scheduled to be replaced with a new records management system with the implementation of the new 911-Dispatch system. The components which are not being replaced are currently being modified by DTIS programming staff to ensure compliance. User departments should evaluate whether contingency planning should include remediation of essential components of the existing records management in case the new system is not implemented on schedule.

The Police Department's new records management system is under development and is scheduled to be implemented at the same time as E911. Compliance is planned by the vendors involved. The department must insure that compliance testing and verification is included in the acceptance testing of the system.

- Police Identification Network & Computer Law Enforcement Tracking System.

  The department must research whether changes are required to insure that access to the PIN and CLETS computerized search capabilities to various law enforcement entities will not be compromised.
- Sheriff Civil Case Management System. The Case Management System maintains case and financial information for civil processes. The existing system is not compliant and is planned to be replaced with a LAN based system. Current plans are to install the new system shortly after relocating to City Hall. Contingency plans for operating manually must be made in case delays occur with the implementation of the new system.
- *Photo-ID System.* This has been reported to be non-compliant. This system is used by the Sheriff and Police. Follow-up analysis and communication with the Police should take place to insure that the system functions properly with Year 2000.

- Jail Management System. The existing system is contained within the Court Management System (CMS); a non-compliant application maintained by DTIS and undergoing remediation. The new system is a departmental system which is vendor supplied. Implementation is planned for June, 1998; the compliance of this package must be tested as part of implementation.
- Sheriff's Fingerprint System. This NEC-based system is said to be compliant. The department must develop plans to certify vendor claims of compliance, and other user departments must verify that all links to other systems are functional.
- *Prisoner Time-Served Applications*. The Sheriff's Office calculates and tracks credit for time served for convicted prisoners on a non-compliant computer system. The department must migrate from this system by the year 2000.
- Airline Scheduling System. This system is the basis for the scheduling information that displays on terminal screens in passenger areas that show the arrival and departure times of flights. This system has recently been upgraded and is claimed compliant by the vendor. Testing is currently in progress.
- Airport Security System. This is the security system that controls access to facilities to which the public is not allowed. It is claimed compliant by the vendor, testing is planned but not yet scheduled.
- Water Billing and Customer Service. The water billing system is compliant. This system also manager repairs and calls for service by water customers. PUC needs to certify compliance by developing and executing a test plan.

#### Embedded Chips

Non-compliant embedded computer chips may effect equipment whose functionality does not appear to be dependent on the time or date. Citywide, the compliance of the majority of the City's critical equipment is unknown.

- City Hospitals. Existing accreditation requires that hospitals be capable of operating on auxiliary power for one week. However, DPH must still review all facility components for Year 2000 exposure to make certain that backup devices are able to function properly.
- Patient Care Medical Equipment. Patient care equipment is the responsibility of DPH, and ensuring compliance must be a high priority for the department. A complete inventory and assessment is underway, but compliance of equipment chips must still be verified.

- Traffic Signals. The Department of Parking and Traffic (DPT) has been told by its vendor that the traffic signal controllers and master clocks used to control the system are compliant. This must be tested by DPT at its traffic engineering facilities. The local control devices at each intersection with signal lights must be investigated for Year 2000 exposure and appropriate remediation implemented.
- City -Owned Facilities. The DPW Bureau of Building Repair (BBR) is responsible for facilities management of city owned buildings such as City Hall, Police and Fire Stations, Hall of Justice, and others. BBR is currently putting together a plan to inventory and assess facility components, including HVAC, backup power, elevators, and others that may either be computer controlled or have embedded chips that may not function properly with Year 2000 dates. Facilities are also owned by some enterprise departments, including the Port, where a similar assessment is required.
- City-Leased Buildings. The city leases space in many buildings throughout the city. The Department of Real Estate (DRE) has committed to communicating to all building owners the need to conduct an inventory and assessment of these facilities to insure that use of and public access to these locations are not compromised.
- Jail Facilities. The Sheriff maintains seven jails. Many of these are old and have no computer or chip controlled security systems. Two however are new and in addition to security are "smart" buildings with many electronic controls. While the department felt there were no compliance problems, they have agreed that a plan should be put into place to contact the vendors to determine compliance as well as make contingency planning should there be failures.
- Vehicles and Fueling Stations. No comprehensive review of City vehicles has been conducted. Engines, transmissions, and other electronic components may not be Year 2000 compliant. Additionally, maintenance equipment such as vehicle lifts and diagnostic equipment may be non-compliant. This issue is most critical to Police, Fire, Muni, and DPW operations, given the importance of these departments' fleets.
- Radio and Dispatch. Citywide, some of this equipment is currently known to be non-compliant; the remainder must be inventoried and plans made for either remediation or replacement. These functions are especially critical for the Police and Fire Departments, DPW, and the Sheriff's Office.
- Airport Telecommunications Systems. These systems provides the infrastructure for communications to the Air Traffic Control and other entities. The vendor claims compliant, testing is planned but not scheduled.
- Airport Field Lighting System. The system which controls the field lights is not compliant and is planned for replacement in April, 1999.

- Airport Automobile Traffic Control. This is the system of traffic signals that regulates the flow of traffic. It is claimed compliant by the vendor; testing is planned but needs to be scheduled.
- Water Storage and Distribution. An inventory and assessment of the Hetch Hetchy dam, storage, and distribution systems are underway. The water storage inventory is scheduled for completion in December, 1998; water delivery in March. 1999. The dams and aqueducts have few automated controls.

The inventory of generation components on the Public Utilities Commission (PUC) dams is completed and assessment has begun. Assessment is planned to be completed by December, 1998. The recalibration of circuitry is in progress and new compliant components are replacing older ones.

• Cleanwater Processing. PUC has treatment plants and facilities for processing sewage. The inventory and assessment is underway and is currently scheduled for completion in March 1999. The treatment plant itself is compliant, but PUC needs to determine if the plant can be operated manually in case of power failure. On site backup power is not currently present. The software used at the facility has recently been upgraded and should be compliant; PUC plans to test for compliance.

#### Vendor Contracts

No comprehensive efforts have been initiated by departments to ensure that (1) contracts with critical vendors do not expire on or around January 1, 2000, or (2) key vendors have actively planned for the potential effects of non-compliance on their own systems and equipment.

- Departments of Public Health (DPH) and Social Services (DSS). These efforts are especially critical for DPH and DSS, both of which rely heavily on a complex network of agencies to provide client services. Although these agencies primarily use City systems, many of these agencies are non-profits who may lack the resources required to plan for and remediate potential internal problems to a degree acceptable to the City.
- Parking Garages. Inventory and assessment at the city-owned parking garages have not yet taken place. The vendor supplied security, accounting, parking control, and other components must be inventoried and a dialogue with the vendors initiated.

### Emergency Contingency Planning

Contingency planning will include, but is not limited to, ensuring that adequate quantities of essential supplies are on hand in the event that suppliers are unable to make normal deliveries; ensuring that manual procedures are in place to deal with failures of automated systems; and

ensuring adequate resources are on-hand to address potential problems. All departments must work directly with the Office of Emergency Services on detailed contingency plans.

- Critical Supplies. Given possible interruptions of vendor deliveries, it is vital that city shelters, hospitals, clinics, jails, and maintenance yards are adequately stocked with critical supplies such as food, prescription medicines, vehicle parts, and other supplies.
- Emergency Staffing. New Year's Eve is normally a holiday in which the City's public safety agencies are called upon to handle an increased volume of public disturbances; celebrations of the millennium are expected to be larger than usual for this night. Problems with alarms, transportation, utility, and other Year 2000 failures may exasperate this situation. The Police, Parking & Traffic, and Fire Departments, Sheriff's Office, and Office of Emergency must coordinate plans to deal with these potential problems. In addition, plans must be made to ensure that adequate resources are on-hand should department automated systems unexpectedly fail.



#### Item 6 - File 99-0004

Department: Department of Telecommunications and Information

Services (DTIS)

Item: Hearing to consider the release of reserved funds in the

amount of \$499,000 to fund the implementation of the fiber optic network for the Department of

Telecommunications and Information Services.

**Amount:** \$499,000

Source of Funds: Previously appropriated and reserved General Fund

monies.

network.

**Description:** In May of 1998, the Board of Supervisors appropriated \$1,000,000 of General Fund monies (File No. 98-734) for

the Department of Telecommunications and Information Services (DTIS) to partially fund (1) the construction of a City-owned fiber optic network<sup>1</sup> to enable faster transmission of data between City departments (i.e. emergency services information) and (2) to completely fund the development of an Internet On-Line<sup>2</sup> Processing Plan, which would include the design of a system to enable citizens to conduct on-line business transactions with City departments over the City-owned fiber optic

Of the above-noted \$1,000,000 in previously appropriated General Fund monies, the Board of Supervisors placed \$75,000 on reserve for the development of an Internet On-Line Processing Plan and \$925,000 on reserve for the construction of a City-owned fiber optic network.

The Finance Committee subsequently released \$66,780 in reserved funds for the development of the Internet On-Line Processing Plan in November of 1998 (File No. 98-1783), leaving a balance of \$933,220 on reserve. This

<sup>&</sup>lt;sup>1</sup> A "fiber optic network" is used to transmit digital information, in the form of a light, such as from a laser, through fibers or thin rods of glass or other transparent material, rather than using copper wires to transmit data electronically, such as is most commonly used for telephone and data transmissions. The "bandwidth" or data transfer capacity of a fiber optic network greatly exceeds that of a copper wire network, and a fiber optic network is not subject to electrical interference.

<sup>&</sup>lt;sup>2</sup> On-line means accomplishing an operation, such as transferring funds, while connected to a computer network.

request would authorize the release of an additional \$499,000 to fund enhancements to the City's existing communications network and a needs analysis for the construction of the City-owned fiber optic network, leaving a balance of \$434,220 on reserve.

In May of 1998, according to Ms. Denise Brady of DTIS. DTIS planned to construct a City-owned fiber optic network that would provide City agencies with a telecommunications system featuring high-speed connections delivering voice. data. and video communications to 10 City-owned facilities, including City Hall, the new Combined Emergency Command Center, and the Central Data Center at One Market Plaza. Ms. Brady states that at the time, DTIS estimated that the total cost of the above-noted City-owned fiber optic network to be \$1.605.000. However, according to Ms. Brady, DTIS desires to reevaluate the need for such a City-owned fiber-optic network. Therefore, DTIS now requests the release of \$499,000 in previously reserved funds for the following purposes:

- A) A needs analysis of current and projected City use of communication services. Based on the results of this needs analysis, DTIS will either (1) proceed with the above-noted City-owned fiber optic network, (2) adopt a new design for a City-owned fiber optic network, or (3) seek to meet the City's communication needs from some other source.
- B) Enhancements to the City's existing communications network, including (1) the installation of a computerized security system for the City's network and router management software to allow DTIS to manage the daily upkeep of the network, and (2) replacement of the City's existing Web Server<sup>3</sup>. Ms. Brady states that although these enhancements may eventually be used in the future as part of the City-owned fiber optic network, they are currently required by DTIS to continue to support the City's existing communications network.

<sup>&</sup>lt;sup>3</sup> A Web Server is used to access Internet sites and e-mail.

#### **Budget:**

A summary budget for this request of \$499,000 is as follows:

Internet/Intranet Security Firewalls	\$83,000
Router Management Software/	
Network Management Server	79,000
Network Design	95,000
Web Server	67,000
PG&E Construction Supervision	25,000
Needs Analysis	150,000
Total	\$499,000

The Attachment, provided by Ms. Brady, contains the budget explanations to support this request of \$499,000.

#### Comment:

According to Ms. Brady, DTIS has selected the firm of Fluor Daniel Telecom, through a competitive selection process, to perform professional service for "Network Design" as listed and described in the Attachment. Ms. Brady states that DTIS has not yet selected a contractor to perform professional services for "Needs Analysis," but will choose the contractor through a competitive selection process.

#### Recommendation:

Approve the requested release of reserved funds.

Date: 1/8/99
Sender: Denise Brady
To: Gabriel Cabrera

cc: Julia Friedlander, Ed Colchado

Priority: Normal Subject: budget

1) "Internet/Intranet Security Firewalls": \$83,000

Firewall Upgrade; Intranet Firewall; Internet/Intranet Security hardware/software; Centralize FTP Server w/10 gigs of storage

Domain Name Servers and Domain Controllers for NT; Protocol Analyzer; Centralized Radius Security Server

3) Network Design: \$95,000

Professional services to assist City staff develop the system conceptual design and the development of an implementation Plan and Ongoing Services Plan.

4) "PG&E Engineering": \$25,000

Hourly Labor Rates are as follows:

Field rates:

\$140/hour - 2 person crew \$210/hour - 3 person crew

- 5) Web Server: \$67,000
- 6) "Needs Analysis for Municipal Fiber Network": \$150,000

A contractor has not yet been selected. Based on our extensive experience in using consultants for various analysis and design work and backed up by informal conversations with various consultants it is our professional opinion that a needs analysis can be done at a cost not to exceed \$150,000.

Total \$499,000

## Department of Telecommunications and Information Services City and County of San Francisco

Page 2 of 3

December 28, 1998

Gloria L. Young, Clerk Board of Supervisors City & County of San Francisco 401 Van Ness Avenue, 3rd Floor San Francisco, CA 94102

SUBJECT: Release of Funds on Reserve at the Finance Committee (Ordinance #195-98)

Dear Ms. Young:

In June of this year, the Board of Supervisors appropriated \$1,000,000 from the "General Fund Reserve-Network" and placed it on reserve at the Finance Committee. \$66,780 was already released for City Access leaving a balance of \$933,220. We have immediate need for a portion of the reserve to fund necessary improvements, including security systems for the City's existing wide area network, Web Server replacement, network design and a needs analysis for the proposed Municipal Fiber Network. Therefore, we are requesting that \$499,000 of the \$933,220 on reserve at the Finance Committee be released to the department for these purposes.

Internet/Intranet Security Firewalls \$83,000 DTIS provides a centralized and secure point of access to the Internet for the majority of departments. Some departments, however, such as DPH and the Library, have their own connections to the Internet and/or to other external sources. In order to insure that these departments have access to the City's WAN, and, at the same time, all City departments are protected from potential intruders from sources outside the City network, it is essential to establish an internal firewall between the City's Wide Area Network and the departments with external connections and to provide Security Software. The City's external auditor has identified the lack of such a firewall as a security problem for several years. Absence of the firewall has delayed implementation of the Time Entry and Scheduling System for DPH and MUNI.

\$79,000 Router Management Software/Network Management Server The router management software would allow DTIS to monitor the daily health of the network and provide the tools necessary to determine when a particular part of the network needs to add more bandwidth in order to avoid problems and insure adequate response times. The software is also critical in providing DTIS the ability to isolate and identify the nature of a response time problem. Particularly at times of increased network activity such as year end fiscal closings, the network is vulnerable to sporadic network disruptions. Department WAN activity has grown annually, and without adequate network management capacity, City departments will experience disruptions and failures in access to critical systems. This software addresses network components that are not managed by Tivoli.

40

Gloria L. Young, Clerk Board of Supervisors December 28, 1998 Page Two

· Network Design

\$95,000

Network design consultation re: the use of PG&E conduit to provide network connectivity between many City buildings including City Hall, the Hall of Justice, the E-911 facility, and One Market Plaza. Fluor Daniel Telecom developed a Scope of Work and preliminary network design as a basis for a bid.

• Web Server \$67,000

The Web Server provides high availability access to the City & County of San Francisco Web Site and to Internet e-mail. It is imperative that these systems be available 24 hours a day, and that outages and downtime be minimized. Two recent outages caused by server failure have occurred (one for a full 24 hours.) These failures made the City's web site unavailable to the public and prevented City employees from receiving Internet e-mail. These funds will replace the server. The existing server will be used as a backup unit.

PG&E Engineering

\$25,000

Engineering and construction supervision are required for the installation of fiber in PG&E conduits.

Needs Analysis for Municipal Fiber Network

\$150,000

This funding will provide for a needs analysis of current and projected City use of telecommunications services to determine design of a municipal fiber network.

We respectfully request that this item be calendared at the Finance Committee on January 6, 1999. We are enclosing copies of Ordinance 195-98. If you have any questions regarding this request, please contact Deputy Director Denise Brady, at 554-7011. Thank you for your continued support.

Sincerely,

Julia M.C. Friedlander

Acting Director

Enclosures

cc: Barbara Kaufman, President, San Francisco Board of Supervisors

Supervisor Mabel Teng, Chair, Finance Committee

Supervisor Gavin Newsom, Member, Finance Committee

#### Item 7 - File 98-1719

Note: This item was continued by the Finance Committee at its meeting of January 6, 1999.

Department:

Tax Collector

Item:

Resolution urging the Tax Collector to conduct an audit of Transient Occupancy Tax (Hotel Tax) payments to the City from 240 San Francisco Single Room Occupancy (SRO) hotels with 50 or fewer units.

Description:

According to Mr. Richard Sullivan, Tax Collector, Single Room Occupancy (SRO) hotels are composed of rooms that are single person occupancy only and rented to guests on a hourly, weekly or monthly basis. Mr. Sullivan states that all hotels in San Francisco are required to reimburse the City for the Hotel Tax charged on each hotel room at the daily rate of 14 percent for guests who stay at the hotel for less than 30 consecutive days. The exception to requirement is hotel operators accommodations to guests at less than \$30 per day or \$100 per week. Mr. Sullivan states that payments from the Hotel Tax to the City are required to be remitted on a monthly basis. If such payments are not remitted within 30 days of the scheduled monthly payment date, then a penalty of 20 percent of the delinquent payment and interest at 1 percent are imposed each month that the payments remain delinquent, in addition to the base Hotel Tax monies due.

Mr. John Madden of the Controller's Office states that in FY 1998-99, Hotel Tax is projected to generate revenues, totaling \$163,580,035, for the City. According to Mr. Sullivan, \$160,036 of the total Hotel Tax of \$163,580,035 is generated from SRO hotels with 50 or fewer units.

Mr. Sullivan reports that the internal controls pertaining to revenue collections by the operators at SRO hotels with 50 or fewer units are sometimes inadequate, which, in turn, may lead to the underreporting of Hotel Taxes due to the City.

Approval of the proposed resolution would urge the Tax Collector to conduct an audit for the approximately four-year period from October 1, 1994 to September 10, 1998 of a representative sample of 48, or 20 percent, of the 240

## BOARD OF SUPERVISORS

SRO hotels in the City with 50 or fewer units to determine whether or not those hotels have fully paid all Hotel Taxes which are due to the City.

#### Comments:

- 1. Mr. Sullivan reports that presently 47, or 19.6 percent, of the 240 SRO hotels owe the City \$47,843 in delinquent Hotel Taxes plus \$5,054 in penalties and \$6,891 in interest charges for total delinquent charges of \$59,788 owed to the City.
- 2. Mr. Sullivan advised the Budget Analyst that the subject audit would be conducted with existing staff. Based on an estimate of 768 to 864 hours to complete the proposed audit, the total estimated cost of the audit would range from \$119,969 to \$134,965, according to Mr. Sullivan, but as previously noted, the audit would be conducted with existing staff, within the Tax Collector's existing budget.
- 3. The attached memo from Mr. Sullivan discusses potential revenue collections from the proposed subject audit.
- 4. The Author requests that this proposed resolution be continued to the call of the Chair.

#### Recommendation:

Continue the proposed resolution to the call of the Chair, as requested by the Author.

Harvey M. Rose

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cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki

Supervisor Yee Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakey

Attachment

Out of 10% sampling, 29% is paying and 71% non-paying (Non-paying because Hotel Operators claimed for Hotel Tax exemptions per Sec. 506, Article 7 of the SF. Hotel Tax Ordinance).

Of total population of 10% sampling (24), only 29% is paying, the equivalent of 7 accounts (7/24=. 29) Extrapolated, out of 240 accounts, approximately 70 accounts are paying.

Given the above information, it is not easy to estimate the collection to be realized as a result of the audit because the proposed subject audit may come up to a zero audit or in other words, the audit may result in a findings that majority of the Hotel Operators is in complete compliance with the Hotel Tax Ordinance.





# City and County of San Francisco Meeting Minutes Finance Committee

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Members: Supervisors Mabel Teng, Barbara Kaufman, Gavin Newsom

Clerk: Joni Blanchard

Wednesday, January 20, 1999

1:00 PM

Room 263

**Regular Meeting** 

Members Present:

Mabel Teng, Barbara Kaufman, Gavin Newsom.

DOCUMENTS DEPT.

# **Meeting Convened**

JAN 2 1 1999

The meeting convened at 1:03 p.m.

SAN FRANCISCO PUBLIC LIBRARY

# **REGULAR AGENDA**

982004 [Reserved Funds, Recreation and Park Department]

Hearing to consider release of reserved funds, Recreation and Park Department (Fiscal Year 1998-1999 budget), in the amount of \$575,000 to begin several new recreation programs, graffiti program, customer services, and enhance existing programs throughout all recreation centers. (Recreation and Parks Department)

11/23/98, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Release of \$575,000 approved. Speaker: Harvey Rose, Budget Analyst. Speaker in support: Ernie Prindle, Recreation and Park Department.

APPROVED AND FILED by the following vote:

Ayes: 3 - Teng, Kaufman, Newsom

990003 [Reserved Funds, Recreation and Park Department]

Hearing to consider release of reserved funds, Recreation and Park Department, (various Sewer Revenue Bond Funds, Resolution 323-95), in the amount of \$70,000 to fund the restoration of the Richmond Sunset Sewage Treatment Plant. (Recreation and Parks Department)

1/4/99, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Release of \$60,015 approved. Speaker: Harvey Rose, Budget Analyst. Speaker in support: Deborah Learner, Recreation and Park Department.

APPROVED AND FILED by the following vote:

Ayes: 3 - Teng, Kaufman, Newsom

990083 [Reserved Funds, Mayor's Office, DCYF]

**Supervisor Teng** 

Hearing to consider release of reserved funds, Mayor's Department of Children, Youth, and their Families in the amount of \$2 million (Fiscal Year 1998-1999 Budget), to establish a High Quality Child Care Fund (HQCCF).

(-- ( - - - )

1/13/99, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Release of \$2,000,000 approved. Speaker: Harvey Rose, Budget Analyst. Speaker in support: Deborah Alvarez-Rodriguez, Director, Department of Children, Youth, and Their Families.

APPROVED AND FILED by the following vote:

Ayes: 3 - Teng, Kaufman, Newsom

# 990022 [Airport Concession Lease]

Resolution approving New International Terminal Lease between Calstar Retail, Inc. a Small Business Enterprise Set-Aside, and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

1/6/99, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst Speaker in support! Jon Ballesteros, Governmental Affairs Coordinator, Airport.

RECOMMENDED.. by the following vote:
Ayes: 3 - Teng, Kaufman, Newsom

# Adjournment

Meeting adjourned at 1:40 p.m.

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7/99

BOARD of SUPERVISORS nceled



401 Van Ness Avenue, Room 308 San Francisco 94102-4532 Tel. No. 554-5184 TDD No. 554-5227

DOCUMENTS DEPT.

# NOTICE OF CANCELLED MEETING

FINANCE AND LABOR COMMITTEE

JAN 28 1999 SAN FRANCISCO PUBLIC LIBRARY

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN That the regularly scheduled Finance and anuary 27, 1999, at لم Labor Committee meeting of Wednesday, 10:00 a.m., at City Hall, Room 263, 1 Dr. Carlton B. Goodlett Place, has been cancelled.

Marie Ackechni In Gloria L. Young Clerk of the Board





# City and County of San Francisco Meeting Minutes

Finance and Labor Committee

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Marv Red

Wednesday, February 03, 1999

10:00 AM

Room 263

Regular Meeting

Members Present:

Leland Y. Yee, Sue Bierman, Tom Ammiano.

# Meeting Convened

DOCUMENTS DEPT.

The meeting convened at 10:07 a.m.

CONSENT AGENDA

All items on consent calendar were severed.

\_\_\_\_\_\_

DOCUMENTS DEFT.

FEB 0 4 1999

SAN FRANCISCO PUBLIC LIBRARY

# **REGULAR AGENDA**

990085 [Emergency Repair, Geneva Avenue Sewer]

Resolution approving expenditure of funds for the emergency work to replace the collapsed 12-inch diameter sewer on Geneva Avenue between Brookdale Avenue and Prague Street - \$82,225.00. (Public Utilities Commission)

1/14/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Severed. Heard in Committee. Speakers: Beth Goldstein, Public Utilities Commission; Norman Chan, Department of Public Works; Supervisor Yee; Harvey Rose, Budget Analyst; Supervisor Ammiano. Amended on page 1, line 18 replace "\$82,225" with "\$74,467".

AMENDED.

Resolution approving expenditure of funds for the emergency work to replace the collapsed 12-inch diameter sewer on Geneva Avenue between Brookdale Avenue and Prague Street - \$74,467. (Public Utilities Commission)

RECOMMENDED AS AMENDED.. by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

990086 [Emergency Repairs. Buchanan/Washington Streets Sewers]

Resolution approving expenditure of funds for the emergency work to replace the structurally inadequate sewers on Buchanan Street from Jackson to Washington Streets, on Washington Street from Webster to Laguna Streets - \$305,277.00. (Public Utilities Commission)

1/14/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Severed. Heard in Committee. Speakers: Norman Chan, Department of Public Works.

RECOMMENDED.. by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano



#### 990049 [Federal Funding - Community Development]

Mayor

Resolution approving the 1999 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 1999 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$65,853,985 which include indirect costs of \$124,015; approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1999 CDBG entitlement funds in excess of \$25,123,000.

1/11/99, ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

Ayes: 3 - Yee, Bierman, Ammiano

#### 990078 [Federal Funding - Emergency Shelter Program]

Resolution approving the 1999 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and City and County of San Francisco to apply for, accept, and expend a \$891,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development. (Mayor)

1/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst: Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

Ayes: 3 - Yee, Bierman, Ammiano

### 990079 [Federal Funding - Home Program]

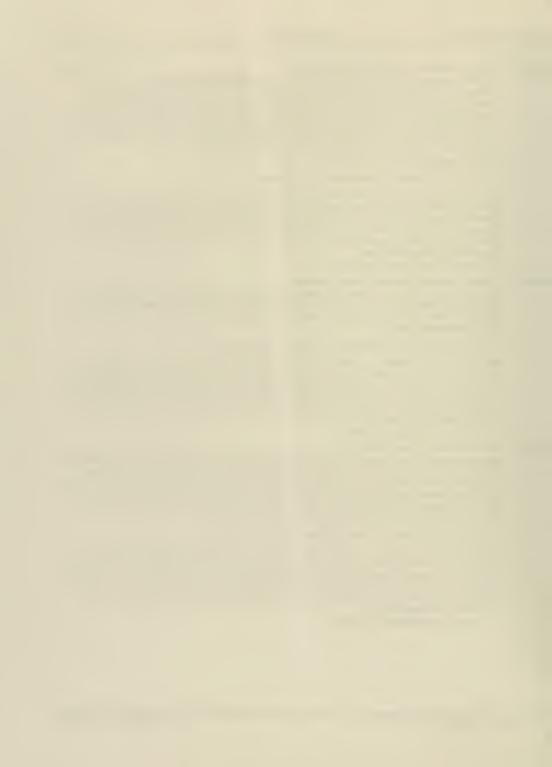
Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,079,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 1999 action plan for San Francisco's consolidated plan. Indirect costs associated with the acceptance of this grant funds will be paid by the Community Development Block Grant funds. (Mayor)

1/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano



#### 981561 [Waiving Fees, Vietnamese Tet Festival]

Supervisor Yee

Resolution waiving fees to be charged for the temporary street closing for the February 1998 Vietnamese Tet Festival.

9/22/98, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Hoanh Bui, Vietnamese Community Center; Supervisor Ammiano. Amended on page 1, lines 3 and 5, replace "February 1998" with "January 25, 1998". AMENDED.

Resolution waiving fees to be charged for the temporary street closing for the January 25, 1998, Vietnamese Tet Festival.

#### RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### 990076 [Sale of Real Property]

Resolution authorizing sale of surplus City-owned property (100 square foot sewer easement) at the southeast corner of Fifth and Bluxome Streets, portion of Assessor's Block 3786, Lot 17. (Real Estate Department)

1/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Toni DeLucchi, Real Estate; Harvey Rose, Budget Analyst.

RECOMMENDED.. by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

### 990077 [City Hall Cafe' Management Agreements]

Resolution authorizing and approving a management agreement between the City and County of San Francisco and Events Management Inc. dba McCall and Associates, for operation of a cafe' located in the North Light Court of City Hall; and ratifying certain acts in connection with such management agreement and a management agreement with L and L, a Partnership for the operation of a cafe' located on the ground floor of the City Hall. (Real Estate Department)

1/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

#### CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### 990040 [Airport Lease Agreement for Federal Express Corporation]

Resolution approving lease agreement for cargo warehouse space in the North Field Cargo Facility between Federal Express Corporation and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

1/7/99, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

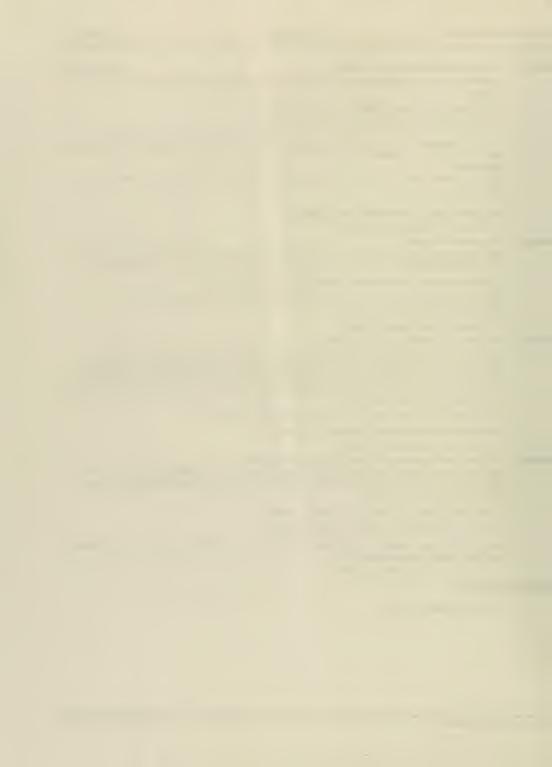
Heard in Committee. Speakers: Jon Ballesteros, Airport; Harvey Rose, Budget Analyst; Supervisor Ammiano. RECOMMENDED.. by the following vote:

OMMINE TOED. By the following vote.

### Ayes: 3 - Yee, Bierman, Ammiano

#### **ADJOURNMENT**

Meeting adjourned at 1:10 p.m.



Attn: Susan Hom

90.254

CITY AND COUNTY



# OF SAN FRANCISCOCUMENTS DEPT.

FEB 0 2 1999

# BOARD OF SUPERVISORS

SAN FRANCISCO PUBLIC LIBRARY

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 29, 1999

TO:

Finance and Labor Committee

FROM:

Budget Analyst Recommendations for meeting of

SUBJECT: February 3, 1999 Finance and Labor Committee Meeting

Item 1 - File 99-0085

Department:

Public Utilities Commission (PUC) Department of Public Works (DPW)

Item:

Resolution approving the expenditure of funds for the emergency work to replace a collapsed 12-inch diameter sewer on Geneva Avenue between Brookdale Avenue and

Prague Street.

Amount:

\$74,467

Source of Funds:

FY 1998-99 PUC Repair and Replacement Fund

Description:

The PUC advises that on January 29, 1998, the sewer located on Geneva Avenue between Brookdale Avenue and Prague Street collapsed, and immediate repairs were required in order to protect the health, welfare and property of the citizens of San Francisco. The PUC declared an emergency on January 29, 1998. accordance with Section 6:30 of the Administrative Code, the PUC initiated expedited contract procedures, and awarded a contract to D'arcy & Harty Construction Company in the amount of \$56,910.

# **Budget:**

The total estimated project cost is \$74,467, including \$56,910 in actual construction costs (or \$910 less than the quotation amount, see Comment No. 2) and \$17,557 for DPW engineering and construction management costs.

A summary of this budget is as follows:

Construction Contract	\$56,910
DPW Bureau of Engineering	10,508
DPW Bureau of Construction Management	7,049

Total \$74,467

Attachment I, provided by the DPW, contains further budget details to support this \$74,467 budget. Attachment II, also provided by the DPW, details the DPW Bureau of Engineering and Bureau of Construction costs.

#### Comments:

1. Invitations for Proposals were faxed to 22 contractors on February 3, 1998. Two quotations were received by PUC from qualified contractors on February 5, 1998. PUC reports that D'arcy & Harty Construction Company submitted the lowest quotation and was awarded the contract in the amount of \$57,820. The following table lists the contractors who submitted quotations and the amounts of the quotations:

Contractor	Quotation
D'arcy & Hart Construction Company	\$57,820
Pacific Liners	\$57,950

- 2. PUC reports that although the contract was awarded in the amount of \$57,820, the final contract cost, after adjustment for actual quantities used during construction, was \$56,910 or \$910 less than the contract amount of \$57,820.
- 3. PUC reports that the repair work at the damaged sewer began on February 10, 1998, and was completed on February 24, 1998.
- 4. Mr. P.T. Law of the DPW advises that due to various delays in receiving expenditure documentation from the

contractor, the PUC is requesting approval of this resolution nearly 12 months after the construction work was completed.

5. Line 18 of the proposed resolution refers to the estimated project costs at \$82,225. As shown in the budget above, this cost was revised to \$74,467.

### Recommendation:

- 1. In accordance with Comment No. 5 above, amend the proposed resolution to replace the estimated project costs of \$82,225 with \$74,467.
- 2. Approve the proposed resolution, as amended.



# AGENDA ITEM

- 50 TE			
DEPARTMENT	Utilities Engineering Bureau	AGENDA NO.	
		MEETING DATE	January 12, 1999

### SUMMARY OF PROPOSED ACTION:

Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-154E, "Geneva Avenue Emergency Sewer Replacement" and Requesting the Board of Supervisors to Approve expenditure of funds for emergency work to replace the collapsed 12-inch diameter sewer on Geneva Avenue between Brookdale Avenue and Prague Street.

### DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of traffic routing work; lining the existing 12-inch diameter sewer with folded Polyvinyl chloride (PVC) liner, removing protruding side sewers; side sewer flow diversion; internally reinstating side sewers; videotaping and cleaning the existing sewer; mobilization; and all related and incidental work on Geneva Avenue between Brookdale Avenue and Prague Street. This work included all planning, design, and construction support services (under Job Order No. 1580N).

The invitations for proposals were faxed to twenty-two (22) contractors on February 3, 1998.

Two (2) Quotations were received on February 5, 1998 as follows:

APPROYALS:			
DEPARTMENT!		FINANCE	Steven Carmichael
UTILITIES ENDIR. BUREAU		GENERAL MANAGER	
COMMERSION SECRETARY	Romaine A. Boldridge		

	Firm	Quote Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	D'arcy & Harty Construction (LBE) San Francisco, CA	\$57,820.00	5%	\$54,929.00	1
2.	Pacific Liners Vacaville, CA	\$57,950.00	0%	\$57,950.00	2

(\*) For comparison of quotes after application of business enterprise preferences.

Work is of lump sum and unit bid item type.

Application of business enterprise preferences in accordance with Chapter 12D of the San Francisco Administrative Code did not change the final ranking of the lowest quotation.

The Engineer's Estimate for this contract was \$68,860.00. The original contract as awarded to D'arcy & Harty Construction was for \$57,820.00. The final contract cost after adjustment for actual quantities used during construction is \$56,910.00.

Therefore, the actual cost of this project is \$82,225.00:

	\$10,508 MI
Bureau of Engineering (Planning, Design, and Construction Support)	\$10,508 PTL
Bureau of Construction Management (Construction Inspection)	\$ 7,049.00
Final Construction Contract Cost	\$56,910.00
Total Project Cost	\$8 <del>2,225.00</del>
	74467

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the Repair & Replacement Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNRR957, Job Order No. 1580N).

### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

### Schedule

D'arcy & Harty Construction began the work on February 10, 1998 and completed it on February 24, 1998.

#### CONTEXT OF THIS ACTION:

On January 29, 1998 PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that the existing 12-inch diameter sewer located on Geneva Avenue between Brookdale Avenue and Prague street was broken and had collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare an Emergency Contract to replace this sewer.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on January 29, 1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

### Attachments:

1. Resolution

2. Draft Board of Supervisors Resolution

Contact Person: Mr. Norman Chan Phone: 554-8355

cc: B. Lim C. Tang M. Williams T. Won C. Jacobo F. Bongolan P. Law P. Scott

# Cost Breakdown for ( J.O. #1580N, Contract #CW-154E) Geneva Ave Emergency Sewer Replacement

# Bureau of Engineering

Classification	Title	R	ate	Hours	Cost
5504	Project Manager II	\$	92	5	\$ 450
5206	Associate Civil Engineer	\$	75	23	\$ 1,725
5202	Junior Clvil Engineer	\$	50	50	\$ 2,500
5366	Civil Engineering Associate II	\$	60	68	\$ 4,080
5381	Engineering Student Trainee II	\$	33	19	\$ 627
1426	Secretary	\$	43	26	\$ 1,118
					\$ 10,510
				Rounded:	\$ 10 508

# **Bureau of Construction Management**

Classification	Title	F	Rate	Hours	Cost
5210	Senior Civil Engineer	\$	100	4	\$ 400
5208	Civil Engineer	\$	80	7	\$ 560
5204	Assistant Civil Engineer	\$	59	53	\$ 3,127
6318	Construction Inspector	\$	74	40	\$ 2,960
					\$ 7,047
				Rounded:	\$ 7,049

	Date 1/25 pages 28
TO GABRICE	From P. T. LAW
CONDEPT BUDGET ANALYST	CO. SFORM - BOE
Phone # 554-7642	Prione \$ 554 - 8347
Fex # 252 - 0461	Faxe 554 - 8308



# Item 2 - File 99-0086

Department: Public Utilities Commission (PUC)

Department of Public Works (DPW)

Item: Resolution approving the expenditure of funds for the

emergency work to replace two collapsed sewers on (1) Buchanan Street from Jackson Street to Washington Street and (2) Washington Street from Webster Street to

Laguna Street.

Amount: \$305,277

Source of Funds: FY 1998-99 PUC Repair and Replacement Fund

Description: The PUC advises that on March 20, 1998, two sewers, one

located on Buchanan Street from Jackson Street to Washington Street and one located on Washington Street from Webster Street to Laguna Street collapsed, and immediate repairs were required in order to protect the health, welfare and property of the citizens of San Francisco. The PUC declared an emergency on March 20, 1998. In accordance with Section 6:30 of the Administrative Code, the PUC initiated expedited contract procedures, and awarded a contract to A. Ruiz

Construction Company in the amount of \$261,627.

Budget: The total estimated project cost is \$305,277, including

\$261,627 in actual construction costs (or \$21,338 less than the quotation amount, see Comment No. 2) and \$43,650 for DPW engineering and construction

management costs.

A summary of this budget is as follows:

Construction Contract \$261,627 DPW Bureau of Engineering 23,650 DPW Bureau of Construction Management 20,000

Total \$305,277

Attachment I, provided by the DPW, contains further budget details to support this \$305,277 budget. Attachment II, also provided by the DPW, details the

DPW Bureau of Engineering and Bureau of Construction costs.

#### Comments:

1. Invitations for Proposals were faxed to 11 contractors on March 31, 1998. Four quotations were received by PUC from qualified contractors on April 2, 1998. PUC reports that A. Ruiz Construction Company submitted the second lowest quotation, but was awarded the contract in the amount of \$261,627. Willie Electric Co., Inc., the lowest bidder, was rejected as a non-responsive firm because the firm did not provide an acceptable performance bond, according to P.T. Law of the DPW. The following table lists the contractors who submitted quotations and the amounts of the quotations:

Contractor	Quotation
Willie Electric Co., Inc.*	\$244.265
A. Ruiz Construction, Inc.	\$282,965
JMB Construction, Inc.	\$307,460
Marinship Construction	\$462,130

<sup>\*</sup> Rejected as a non-responsive firm.

- 2. PUC reports that although the contract was awarded in the amount of \$282,965, the final contract cost, after adjustment for actual quantities used during construction, was \$261,627 or \$21,338 less than the contract amount of \$282,965.
- 3. PUC reports that the repair work at the damaged sewer began on April 20, 1998 and was completed on July 17, 1998.
- 4. Mr. Law advises that due to various delays in receiving expenditure documentation from the contractor, the PUC is requesting approval of this resolution over 6 months after the construction work was completed.

# Recommendation:

Approve the proposed resolution.



# **AGENDA ITEM**

67: 650			
DEPARTMENT	Utilities Engineering Bureau	AGENDA NO.	
		MEETING DATE	Ianuary 12, 1999

#### SUMMARY OF PROPOSED ACTION:

Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water program Contract No. CW-180E, "Washington/Buchanan Streets Emergency Sewer Replacement" and Requesting the Board of Supervisors to Approve expenditure of funds for emergency work to replace the structurally inadequate sewers on Buchanan Street from Jackson Street to Washington Street and in Washington Street from Webster Street to Laguna Street.

### DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of constructing 15-inch and 12-inch diameter vitrified clay pipe (VCP) sewers on crushed rock bedding; sliplining an existing sewer with 12-inch nominal size polyethylene pipe (PE.P); constructing concrete manholes, 10-inch diameter VCP culverts, and 6 or 8-inch diameter side sewer connections; videotaping existing active side sewers; repairing and/or replacing existing defective active side sewers; removing existing sewers and sewer structures; replacing frame and cover of existing catchbasin; plugging and filling existing sewer with slurry grout; constructing cut-off wall; handling, videotaping newly constructed main sewers; supporting, working around and protecting certain Water Department, Fire Department and other utility agency and company facilities in conjunction with the work under this contract, and all related and incidental work on Buchanan Street from Jackson Street to Washington Street, and Washington Street from Webster Street to Laguna Street. This work included all planning, design, and construction support services (under Job Order No. 1597N).

APPROVALS:			
DEPARTMENT / BUREAU		FINANCE	Steven Carmichael
UTILITIES ENGA. BUREAU		GENERAL MANAGER	
COMMISSION SECRETARY	Romaine A. Boldridge		

The invitations for proposals were faxed to eleven (11) MBE/WBE contractors on March 31, 1998.

Four (4) Quotations were received on April 2, 1998 as follows:

	Firm	Quote Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	A Ruiz Construction Inc. (LBE/MBE) San Francisco, CA	\$282,965	10%	\$254,668.50	1
2.	JMB Construction Inc. (LBE/MBE) San Francisco, CA	\$307,460	10%	\$276,714.00	2
3.	Marinship Construction Services, Inc. (LBE/MBE) San Francisco, CA	\$462,130	10%	\$415,917.00	3
4.	Willie Electric., Inc. Oakland, CA 94607	\$244,265	0%	\$244,265.00	4(**)

(\*) For comparison of quotes after application of business enterprise preferences.

(\*\*) Willie Electric Co., Inc. did not produce acceptable bonds in their bid package according to the City Attorney's Office. They were therefore rejected as a non-responsive and non-responsible firm.

Work is of lump sum and unit bid item type.

Application of business enterprise preferences in accordance with Chapter 12D of the San Francisco Administrative Code did not change the final ranking of the lowest quotation.

The Engineer's Estimate for this contract was \$224,300.00. The original contract as awarded to A. Ruiz Construction was for \$282,965.00. The final contract cost after adjustment for actual quantities used during construction is \$261,627.00.

Therefore, the cost of this project, including the change order, is estimated to be \$305,277.00

Bureau of Engineering (Planning, Design, and Construction Support)	\$23,650.00
Bureau of Construction Management (Construction Inspection)	\$20,000.00
Final Construction Contract Cost	\$261,627.00
Total Project Cost	\$305.277.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the R&R Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNRR967, Job Order No. 1597N).

# Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

# Schedule

A. Ruiz Construction began the work on April 20, 1998 and completed it on July 17, 1998.

### CONTEXT OF THIS ACTION:

On March 19, 1998 PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that 750 feet of the existing 16-inch diameter vitrified clay pipe sewers located in Buchanan Street from Jackson Street to Washington Street and Washington Street from Buchanan Street to Laguna Street were broken and had collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare an Emergency Contract to replace these sewers.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on March 20, 1998. The Declaration of Emergency has been signed by the President of the PUC.

Phone:\_

554-8355

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

1	:	Resc	hul	tion
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1. Draft Board of Supervisors Resolution

Contact Person: Mr. Norman Chan

cc:	B. Lim	C. Tang	M. Williams	P. Cheng
	C. Jacobo	F. Bongolan	P. Law	P. Scott

# Cost Breakdown for (J.O. #1597N, Contract #CW-180E) Washington / Buchanan Streets Emergency Sewer Replacement

# Bureau of Engineering

Classification	Title	F	late	Hours	Cost
5504	Project Manager II	\$	92	10	\$ 920
5206	Associate Civil Engineer	\$	75	51	\$ 3,825
5202	Junior Civil Engineer	\$	50	124	\$ 6,200
5366	Civil Engineering Associate II	\$	60	146	\$ 8,760
5381	Engineering Student Trainee II	\$	33	44	\$ 1,452
1426	Secretary	\$	43	58	\$ 2,494
					\$ 23,651
				Rounded:	\$ 23,650

### **Bureau of Construction Management**

Classification	Title	- 1	Rate	Hours	Cost
5210	Senior Civil Engineer	\$	100	10	\$ 1,000
5208	CMI Engineer	\$	80	20	\$ 1,600
5204	Assistant Civil Engineer	5	59	157	\$ 9,263
6318	Construction Inspector	\$	74	110	\$ 8,140
					\$ 20,003
				Rounded:	\$ 20,000

Post-It* Fax Note 7671	Date 1/25 pages 8
" CIABRICL	From P. T. LAW
CONDER BUDGET ANALYST	CO. SFORM - BOE
Phone : 554-7642	Phone 554 - 8347
Fact 252 - 0461	Fat 554 - 8308

Item 3 - File 99-0049

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the 1999 Community Development

Program and authorizing the Mayor to apply for, receive and expend the City's 1999 Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD) estimated to be \$25,123,000. The proposed resolution would also transfer and expend program income generated by the San Francisco Redevelopment Agency of up to \$40,730,985 for a total 1999 CDBG Program of up to \$65,853,985. The proposed resolution would also (a) approve expenditure schedules for recipient departments and agencies, including indirect costs of \$124,015, (b) determine that no environmental evaluation is required and (c) authorize the receipt and deposit of any funds in excess of the entitlement of the 1999 CDBG entitlement of \$25,123,000 be placed in a Contingency Fund.

**Description:** Refer to the Budget Analyst's separate report of January 29, 1999 on the Mayor's proposed 1999 Community Development

Program.



# Item 4 - File 99-0078

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the 1999 Emergency Shelter Grants

Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend an \$891,000 entitlement under the Emergency Shelter Grants Program of the U.S.

Department of Housing and Urban Development.

Grant Amount: \$891,000

Grant Period: April 1, 1999 through March 31, 2000

Source of Funds: U.S. Department of Housing and Urban Development (HUD)

Emergency Shelter Grants Program (ESGP)

Description: The HUD Emergency Shelter Grants Program was first

established under the Stewart B. McKinney Homeless Assistance Act in July, 1987. The program is designed (1) to assist in improving the quality of existing emergency shelters for the homeless. (2) to assist in making available additional emergency shelters, and (3) to assist in meeting the costs of operating emergency shelters in order to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to

improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories, three program categories (Essential and Social Services, Maintenance and Operating Expenses and Homeless Prevention Services), and two other categories, MOCD Administration and an Emergency Shelter Grants Pool.

The MOCD advises that grant funds in the amount of \$891,000 from the 1999 ESGP (\$93,000 less than the 1998 ESGP allocation of \$984,000) would be allocated to 24 projects (including administration and the grants pool) under the five categories identified above involving 16 non-profit homeless service providers and shelters.

Descriptions of the 24 projects including administration and the grants pool selected for funding by MOCD are as follows:

# ESSENTIAL AND SOCIAL SERVICES

These grants would assist in funding staff at homeless shelters for shelter management and for the provision of social services to shelter residents.

# Asian Women's Shelter

\$36,856

\$25,000

The grant would fund the salary of a Facilities Coordinator. The Asian Women's Shelter provides emergency shelter and support services to battered monolingual Asian women and their children.

# Catholic Charities of the Archdiocese of San Francisco/ Family Resource Center 814 Mission Street, 3rd Floor

The grant would be used to pay for 58 percent of the personnel costs of a case manager for the operation of a child care center for homeless families.

# Dolores Street Community Services

\$31,250

938 Valencia Street

The grant would be used to help fund the Case Manager position. Dolores Street Community Services provides emergency shelter and support services at three adult shelters.

# La Casa de las Madres

\$45,782

The grant would be used to provide for a Women's Advocate and a Facility Assistant. La Casa de las Madres provides shelter and advocacy services, a 35-bed emergency shelter program, case management, information and referral services.

# Swords to Plowshares

\$31,400

# 1063 Market Street

The grant would help fund a part-time social worker and a part-time claims assistant. The Swords to Plowshares program provides outreach and legal services to homeless veterans and transitioning toward vocational training and employment.

# United Council of Human Services

\$28,400

# 2111 Jennings Street

The grant would help pay a portion of the staffing at the Center. The United Council of Human Services provides free hot meals, clothing, and job referral and employment services to low-income and homeless people in the Bayview Hunters Point Community.

Subtotal

\$198,688

# MAINTENANCE AND OPERATING EXPENSES

These grants would pay basic operating expenses at homeless shelters and other homeless support organizations.

# Asian Women's Shelter

\$19,144

location confidential

This grant would pay for repairs and maintenance, insurance, telephone and utilities.

# Bar Association of San Francisco

\$17,491

The Volunteer Legal Service Program (VLSP) 955 Market Street, Suite 915

Overhead expenses including repairs, insurance, rental of space, supplies, telephone, travel, printing and audit of their project activities.

# Central City Hospitality House - Orlando

\$10,000

290 Turk Street

House

The grant would pay for utilities, telephone, insurance, repairs and maintenance. The Central City Hospitality House - Orlando House is a shelter for runaway and homeless youths ages 15 to 17 years.

# Central City Hospitality House

\$10,300

146 Leavenworth Street

The grant would pay for portions of various overhead costs including utilities, insurance, office supplies and rental of space. The Central City Hospitality House is an emergency shelter for homeless men.

# Dolores Street Community Services 1249 Alabama and 24th Street

\$9,750

The grant would pay for portions of the cost of rent, insurance, utilities, supplies and an audit of the program.

# Episcopal Community Services of San Francisco

\$40,000

201 Eighth Street

The grant would be used to pay for rent, and utilities. The Episcopal Community Services of San Francisco provides shelter, rehabilitation services, and case management services to homeless men and women.

# Friendship House Association of American Indians

\$36,900

80 Julian Avenue

The grant would pay for rent, repairs and maintenance, insurance, audits, utilities, telephone, postage, and office supplies. The Friendship House Association of American Indians provides residential alcohol and drug abuse treatment services to American Indian women and men.

# Hamilton Family Center 1525 Waller Street

\$43,000

The grant would pay for renting the program facility. Hamilton Family Center is a homeless family shelter that provides meals, preschool programs, on-site medical clinic, children's therapy, and family case management.

# La Casa de las Madres location confidential

\$31,518

The grant would pay for the rental of the shelter.

# Larkin Street Youth Center - Diamond Youth Center

\$54,000

536 Central Avenue

The grant would pay for rent, repairs, utilities and telephone. The Larkin Street Youth Center - Diamond Youth Center provides emergency shelter and support services for 12 to 17 year old runaways and homeless youths.

# St. Vincent de Paul Society Confidential Location

\$20,000

The grant would be used to pay for rent at the Rosalie House, the agency's program for battered women and children. Rosalie House is an eight week, 20-bed facility for women and their children who are victims of physical, sexual, or emotional abuse.

# Swords to Plowshares 1063 Market Street

\$7,200

The grant would be used to pay rent, insurance, office supplies, MUNI fast passes to clients and to audit the program.

# United Council of Human Services

\$67,600

1345 Ocean Avenue

The grant would help pay for rent, insurance, repairs, office supplies, utilities, food, fuel for vehicles and an audit of the program.

Subtotal

\$366,903

# HOMELESS PREVENTION SERVICES

These grants would fund programs dedicated to preventing homelessness and to assisting the homeless in obtaining governmental benefits.

# American Red Cross

\$68,000

# Homeless Prevention Program 1440 Harrison Street

The grant would pay for one-time rental assistance for individuals and families facing eviction because of an inability to pay rent. The American Red Cross Bay Area -Homeless Prevention Program provides rental assistance to low-income San Francisco residents.

#### Bar Association of San Francisco \$42,509 The Volunteer Legal Service Program (VLSP) 955 Market Street, Suite 915

The grant would partially pay for personnel costs for five employees that provide legal and related social services to traditionally underserved client groups that include low income San Francisco residents.

#### Compass Community Services - (formerly Traveler's Aid of San Francisco) \$50,000 942 Market Street, 6th Floor

The grant would help pay for hotel rooms for homeless families. Compass Community Services provides emergency shelter for homeless families.

Subtotal

\$160,509

### MOCD ADMINISTRATION

\$44,550

The amount of \$44,550 represents five percent of the total ESGP grant award of \$891,000. This amount will partially fund the salaries of a program administrator (50%) and an accountant (25%) at the MOCD, for a combined .75 FTE of staff time, to administer the proposed grants. The amount of \$44,550 for MOCD administration in 1999 represents a decrease of \$4,650 or 9.5 percent from the 1998 budget allocation of \$49,200.

# EMERGENCY SHELTER GRANTS POOL \$120,350

The Emergency Shelter Grants Pool is a pool to provide additional assistance for programs and related services for the homeless. Such program and services have not yet been determined. The Pool would be reduced by \$94,650 from \$215,000 in 1998 to \$120,350 in 1999. The \$120,350 would be allocated to specific projects at a later time.

TOTAL

\$891,000

Amount

# Project Budget:

### Essential and Social Services (22.3% of Total Grant)

	0 0433 O GIII C
Asian Women's Shelter	\$ 36,856
Catholic Charities/St. Joseph's Village	25,000
Dolores Street Community Services	31.250
La Casa de las Madres	45,782
Swords to Plowshares	31,400
United Council of Human Services	28,400
Subtotal	\$198,688

Maintenance and Operating Expenses (41.2% of Total	l Grant)
	Amount
Asian Women's Shelter	\$19,144
Bar Assoc. of San Francisco, Volunteer Legal	
Services Program	17,491
Central City Hospitality House - Orlando	
House 10,000	
Central City Hospitality House	10,300
Dolores Street Community Services	9,750
Episcopal Community Services	
of San Francisco	40,000
Friendship House Association of	
American Indians	36,900
Hamilton Family Center	43,000
La Casa de las Madres	31,518
Larkin Street Youth Center - Diamond	
Youth Center	54,000
St. Vincent de Paul Society	20,000
Swords to Plowshares	7,200
United Council of Human Services	<u>67.600</u>
Subtotal	\$366,903

# Homeless Prevention Services (18.0% of Total Grant)

Description	
American Red Cross Bay Area SF	\$68,000
Bar Assoc. of San Francisco, Volunteer Legal	
Services Program	42,509
Compass Community Services	50.000
compass community bervices	
Subtotal	\$160,509

# MOCD Administration (5.0% of Total Grant)

Subtotal \_\_\$44,550

# Emergency Shelter Grants Pool (13.5% of Total Grant)

Subtotal \$120,350

GRAND TOTAL

\$891,000

Required Match:

\$891,000 will be provided by the Department of Human Services (DHS) from General Fund monies approved in the FY 1998-1999 DHS Budget. A description of these funds is provided in Comment No. 1.

Indirect Costs:

None

#### Comments:

1. Mr. Jon Pon of MOCD reports that, in order to comply with the required match of local funds, a total of \$891,000 has been allocated from FY 1998-99 General Fund monies approved in the budget of the Department of Human Services. These include:

American Red Cross Bay Area	\$	73,500
Central City Hospitality House		200,000
Compass Community Services		531,769
Dolores Street Community Services	_	85,731

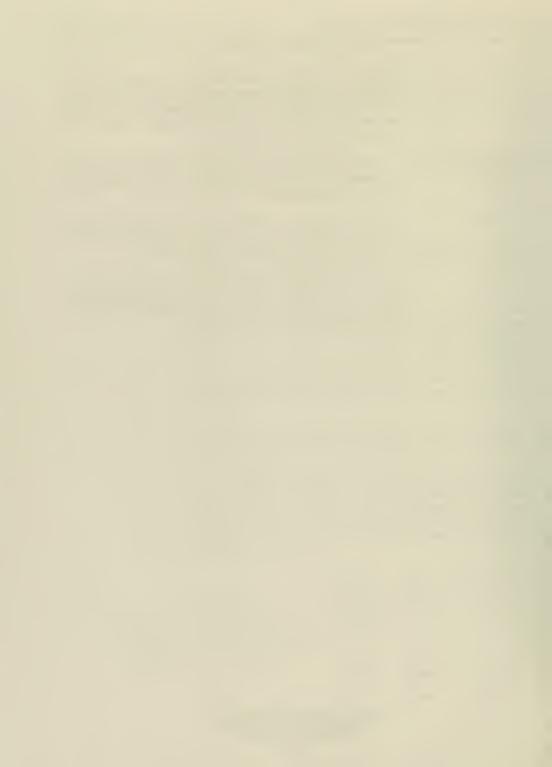
Total \$891,000

- 2. The proposed grant allocation of \$891,000 for 1999 represents a \$93,000 or 9.45 percent decrease over the 1998 budget allocation of \$984,000.
- 3. The MOCD reports that it conducted a Request for Proposal (RFP) process in June of 1998 to homeless service providers and shelter operators for the 1999 Emergency Shelter Grants Program. In July of 1998, the MOCD received 20 applications requesting \$1,273,868 in ESGP funds in response to the RFP process. A total of 24 project applications were selected. These projects are the subject of this report.
- 4. The MOCD has prepared a Disability Access Checklist, which is on file with the Clerk of the Board.
- 5. Four projects received new or increased funding in 1999 that total \$106,300. These are in addition to approved funding during 1998. We consider the approval of new and increased funding to be policy matters for the Board of Supervisors. The four projects subject to new or increased funding are as follows:

<u>Project</u>	1999 Proposed <u>Funding</u>	1998 Funding <u>Allocation</u>	Amount of New or Increased Funding
BASF/Volunteer Legal Services Program Episcopal Community Services of San Francisc Friendship House Association of American	\$60,000	\$ 0 31.000	\$60,000 9,000
Indians	36,900	24.600	12,300
United Council Of Human Services	96.000	71,000	25,000
Totals	\$232,900	\$126,600	\$106,300

> 6. Because \$120.350 has been set aside for future projects in the Emergency Shelter Grants Pool, that will be allocated at a later time, the funds should be reserved until MOCD provides the Finance Committee with budget details as to how these monies will be allocated.

- Recommendations: 1. Approve funding in the amount of \$784,700 (\$891,000) requested less the increased funding level of \$106,300 for new and existing projects).
  - 2. In accordance with Comment No. 5 above, we consider approval of \$106,300 in new and increased funding levels to be a policy matter for the Board of Supervisors.
  - 3. In accordance with Comment No. 6, reserve \$120,350 set aside in the Emergency Shelter Grants Pool pending further information by MOCD submitted to the Finance Committee of budget details and related allocations.



#### Item 5 - File 99-0079

**Department:** Mayor's Office of Housing (MOH)

Item: Resolution authorizing the Mayor to apply for, accept and

administer a grant from the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnership Program authorized under Title II of the National Affordable Housing Act of 1990 and approving the HOME Program description as described in the Preliminary 1999 Action Plan for the City and County. Indirect costs associated with the acceptance of these grant funds will be paid by Community

Development Block Grant (CDBG) funds.

Grant Amount: Not to exceed \$7,079,000

Grant Period: April 1, 1999 to March 31, 2000

Source of Funds: U.S. Department of Housing and Urban Development

(HUD)

Project: Home Investment Partnership (HOME) Program

Description: The HOME Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law

Number 101-625). The Act provides funds for the acquisition, rehabilitation and development of privately-

owned affordable housing.

In August, 1994, HUD issued regulations requiring that beginning in 1995, a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People With AIDS (HOPWA) Program and (c) the Community Development Block Grant Program (CDBG). In response, the MOH has developed a "Preliminary 1999 Action Plan for the City and County of San Francisco, Draft for Public Review." The MOH advises that the

<sup>&</sup>lt;sup>1</sup> The "Preliminary 1999 Action Plan for the City and County of San Francisco, Draft for Public Review," dated January 15, 1999, contains the City's plans and programs for privately-owned housing, totaling \$53,546,075, as shown in the following pages. The "final" 1999 Action Plan will reflect the program funding requests approved by the Board of Supervisors in this subject HOME Program legislation, and legislation being considered by the Finance Committee (see Files 99-0049 and 99-0078 of the Budget Analyst's report to the Finance Committee of February 3, 1999).

Preliminary 1999 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs enumerated above, will function as the MOH grant application for HOME Program funding from HUD. MOH and MOCD must submit the 1999 Action Plan to HUD by February 15, 1999. According to the Preliminary 1999 Action Plan for privately-owned housing development and administrative costs, the MOH anticipates receiving \$7,077,000<sup>2</sup> for the HOME Program, or \$492,000 more than the 1998 allocation of \$6,585,000.

The Preliminary 1999 Action Plan for privately-owned housing developments in San Francisco totals \$53,546,075, including the proposed \$7,077,000 HOME grant allocation and the following other sources of housing funds:

HUD HOME Funds:	
Proposed New 1998 Funds (Subject of this request)	\$7,077,000
Less funds for administrative costs	855,900
Subtotal HOME Funds	6,221,100
Other Federal Sources	
Community Development Block Grant (CDBG)	5,673,115
CDBG Program Income	1,178,545
HUD HOPWA funds	1,150,000
Subtotal Other Federal Sources	8,001,660
Local Sources	
Proposition A (Affordable Housing and Home	
Ownership General Obligation Bond Funds to	
be requested)	19,798,000
Tax Increment Funds:	
Carry-forward Funds From 1998-99	11,084,297
Hotel Tax Funds	5,000,000
Affordable Housing Fund (OAHPP Program)	2,348,018

 $<sup>^2</sup>$  The final amount approved by HUD is \$7,077,000 or \$2,000 less than the not to exceed amount of \$7,079,000 contained in the proposed resolution and includes an administrative allocation of \$855,900, as shown in the "Budget" section of this report.

Home ownership Assistance Loan Payments \$ 993,000
Code Enforcement Rehabilitation Fund (CERF)
(CERF funds are received from the State Franchise
Tax Board as a result of disallowed income tax
Deductions and penalties from taxpayers with
San Francisco Housing Code violations) 100.000

Subtotal Local Sources

\$39,323,315

Total Projected Funds for Privately-Owned Housing Developments in 1999

\$53,546,075

The proposed total 1999 HOME Program funds of \$7,077,000 represents approximately 13.2 percent of the total \$53,546,075 in projected funds for privately-owned housing development in San Francisco. These funds are dedicated for privately-owned housing development. None of these funds would be used by the San Francisco Housing Authority or for other public housing projects. The HOME Program funds of \$7,077,000, excluding the administrative costs for MOH, would be allocated by the MOH to private or non-profit developers for privately owned housing.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August, 1992 (File 68-92-4.1) and revised in February, 1994 (File 68-94-7). (These procedures outline broad criteria and a process to follow for allocating the HOME Program funds, such as how to notice the availability of housing funds to interested parties, how to evaluate the funding proposals, specific underwriting criteria, etc.). Projects which are eligible for HOME funding are as follows:

- 1. Projects, which are funded for capital construction or rehabilitation of housing units to be owned and managed by the applicant, must be occupied by households with incomes that do not exceed 60% of the median income as established by HUD.
- 2. First-time home ownership assistance must be provided only to low income persons with household incomes that do not exceed 80% of median income as established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed 1999 HOME allocation of \$7,077,000 or \$1,061,550 be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDOs). According to Mr. Joe LaTorre of MOH, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings, acquisition of sites and development of new housing and ownership and management of subsidized developments.

#### Budget:

The proposed \$7,077,000 in HOME Program funds for the one-year period of April 1, 1999, through March 31, 2000, would be expended as follows:

<u>Item</u> <u>Amount</u>

Community Housing Development Organization (CHDO) Rehabilitation of an estimated 100 housing units:

Acquisition/Substantial Rehabilitation (requiring more than \$25,000 per unit) of housing units for low-income households.

\$2,860,517

Acquisition/Other Rehabilitation (requiring less than \$25,000 per unit) of housing units for low-income households.

1,500,000

#### Other Activities:

New Construction of Housing for low income households (these funds would be allotted to The Hamilton Family Center, a 70 bed housing Development for formerly homeless families.)

1,824,109

36.474

Tenant-Based Rental Assistance (Catholic Charities)

<u>Item</u> <u>Amount</u>

#### Administrative Expenses:

Mayor's Office of Housing Administrative Expenses

\$524,905

CHDO Administrative Expenses

150,000

Catholic Charities Administrative Expense

13,526

Other Administrative Expenses

167,469

Subtotal Administrative Expenses

855,900

\$7,077,000

Totals

. , , ,

Required Match:

1,769,250 (25 percent of the 7,077,000 grant total).

**Indirect Costs:** 

Indirect costs of \$124,015 for General City purposes will be paid from CDBG funds for the HOME Program and the CDBG Program.

Comments:

- 1. According to Mr. LaTorre, the 25% matching fund requirement of \$1,769,250 is anticipated to be provided from Hotel Tax funds. In 1999, the MOH is anticipating receiving an estimated total of \$5 million in Hotel Tax funds, which was appropriated in the Fiscal Year 1998-99 budget to be used for the development of low-income housing for seniors and handicapped residents. Mr. LaTorre reports that \$1,769,250 of these Hotel Tax expenditures will be used as matching funds for the proposed HOME Investment Partnership Program grant.
- 2. HOME regulations limit expenditures for payment of administrative and planning costs of the HOME Program to an amount of HOME funds that is not more than ten percent of the fiscal year HOME basic formula allocation, except for the \$150,000 in CHDO administrative expenses. As noted in the Budget Section above, the proposed resolution would authorize administrative costs of \$855,900, including \$150,000 to be allocated in equal amounts of \$50,000 to the Chinese Community Housing Corporation, the Mission Housing Development

Corporation, and the Tenderloin Neighborhood Development Corporation (the Community Housing Development Organizations). MOH is requesting a budget of \$705,900 (Mayor's Office of Housing Administrative Expenses of \$524,905 and Other Administrative Expenses of \$180,995), which is \$1,800 less than the maximum allowable amount of \$707,700, for administration of the HOME Program. The proposed \$855,900 for administrative expenses are as follows:

### **HOME Administrative Budget**

Mayor's Office of Housing Administra	tion	
(See Attachment I)		\$524,905
Catholic Charities	\$13,526	
Other Administrative Expenses	167,469	180,995
Subtotal Administrative Expenses		\$705,900
Community Housing Development		
Corporation's Administrative Expen-	ses	150,000
Total		\$855,900

The MOH administrative budget of \$524,905 includes 4.9 positions for the MOH. Attachment I lists the positions and the salary amounts for each position.

The Other Administrative Expenses of \$167,469 are as follows:

City Attorney	\$ 47,469
Environmental Review Consultant	45,000
City Planning	25,000
Total	\$167,469

The proposed administrative budget of \$524,905 includes a .50 FTE 9774 Sr. Community Development Specialist. However, the MOH budgeted a full years salary of \$61,309 for this position instead of the \$30,862 which is required for the .50 FTE position. (The remaining .50 FTE salary funds for this position is budgeted in the Community Development Block Grant Program.) Accordingly the proposed HOME budget should be reduced as follows:

Salary	\$30,444
Fringe Benefits	6,698
Less Salary Savings	(1,857)
Add Negotiated Increase	1,486
Total Reduction	\$36,771

- 3. Section 1.C. of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of the Mayor's Office of Housing submit an Annual Report, due on March 31 of each year for the preceding calendar year, to the Board of Supervisors providing an accounting of all HOME program funds received by the City and how the funds were expended, including specific project information. According to Mr. LaTorre, the most recent Annual Report, for calendar year 1997, was submitted to the Board of Supervisors on March 30, 1998.
- 4. In accordance with procedures developed by the MOH and previously approved by the Board of Supervisors, loans to private developers may be interest bearing or interest free and loan principal to the private developers may be deferred. The terms under which interest and/or principal are paid by the developer are determined by the Mayor based on the financial feasibility of each project. According to Mr. LaTorre, the reason that the Mayor may decide not to charge interest to private developers or may decide to defer loan repayments due from private developers is that private developers may have agreed to establish very low rents in their privately-developed affordable housing, thereby resulting in the developers' inability to afford to make the total required interest and/or principal payments. The attached memorandum (Attachment II) from Mr. LaTorre explains how MOH will document financial information provided by private developers which could result in the Mayor deciding (a) not to charge interest to private developers, and/or (b) permitting private developers to defer their loan repayments to the City.

#### Recommendations:

- 1. Reduce the proposed MOH Administrative budget by \$36,771 from \$524,905 to \$488,134 as shown in comment 2 above to increase the level of funding for other eligible HOME activities.
- 2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Pgm	Grant	Mat	ID	Line Item	Description	Sub-Object	Administration		
	монм98	21H		Class	Title	FTE			
	монм98	21H		1369	Special Assistant X	3.10	\$ 151,552		
	монм98	21H		1371	Special Assistant XIV	0.50	\$ 25,369		
	монм98	21H		1373	Special Assistant XII	0.50	\$ 40,872		
	монм98	21H		1377	Special Assistant Program Development	0.10	\$ 9,936		
	монм98	21H		1632	Senior Account Clerk	0.20	\$ 8,413		
	монм98	21H		9774	Sr Community Development Specialist	0.50	\$ 61,309		
	монм98	21H	Г	Personnel	Labor Costs	4.90	\$ 297,451		
	монм98	21H		Personnel	Labor Costs Fringes @.22		\$ 65,439		
	монм98	21H		Personnel	Labor Costs Total		\$ 362,890		412184
	монм98	21H		Personel	Salary Savings @.05		\$ (18,145)		-20609
		21H	Г	Personel	Negotiated Increases @.04		\$ 14,516		
		T							
	монм98	21H		Conferences & Travel	Conference Travel		\$ 5,000	\$	5,000
	монм98	21H		Drayage/Freight	File Safe		S 500	S	500
	монм98	21H	П	Equipment	Lease Photocopier		\$ 5,000	S	5,000
	монм98	21H	П	Equipment	Maintenance & Repair		\$ 1,000	s	1,000
	МОНМ98	21H		Equipment	Auto Fuel & Maintenance		\$ 1,000	S	1,000
	МОНМ98	21H		Legal & Display Advertising			\$ 1,000	S	1,000
	МОНМ98	21H	Г	Memberships			\$ 1,500	S	1,500
	монм98	21H		Postage			\$ 2,500	S	2,500
	монм98	21H		Printing			\$ 5,000	S	5,000
	МОНМ98	21H		Rental Space	25 Van Ness Lease		\$ 70,644	S	50,000
	монм98	21H		Supplies	Office Supplies		\$ 5,000	S	5,000
	монм98	21H		Telecommunications	Telephone Services		\$ 5,000	S	5,000
	монм98	21H		Training			\$ 2,500	S	2,500
	монм98	21H	П	TOTAL			\$ 464,905	S	476,575
	монм98	21H		Professional Services	Environmental Review		\$ 15,000	\$	15,000
	монм98	21H	1	Professional Services	City Planning		\$ 10,000	S	10,000
	монм98	21H	1	Professional Services	City Attorney		\$ 25,000	S	25,000
	монм98	21H		Professional Services	Real Estate				
	монм98	21H		Professional Services	ADA				
	МОНМ98	21H		Professional Services	Other		\$ 10,000	S	10,000
	монм98	21H		Total HOME			\$ 524,905	S	536,575

### **MEMORANDUM**

### MAYOR'S OFFICE OF HOUSING

January 25, 1999

TO:

Bill Courtright, Budget Analyst

FROM:

Joe LaTorre

SUBJECT:

Determination of Eligibility for Repayment and/or Interest Deferral or

Forgiveness for HOME Program Loans

Per your request for additional information, please note that the <u>Criteria and Procedures for Allocating Home Program Funds</u> approved by the Board of Supervisors in January 1994 provide that "The Mayor shall determine the terms under which interest and/or principal shall be paid by Developer. ... For all HOME-assisted projects other than those funded under the RMF Program, deferred loans may be structured so as to require payment at the end of the Term, or to be forgiven, depending on the financial feasibility of the project. RMF loans may not be forgiven under any circumstances."

Financial feasibility is based on the proposed structure of rents and operating expenses of the development and upon the availability and requirements of other funding sources for the development. In most cases, MOH seeks to regulate rents at as low a level as possible, which precludes the possibility of payment of debt service (whether principal or interest). In addition, restricted rents limit the market value of the property, meaning funds might not be available at the end of the loan Term to repay the loan.

Documentation of the proposed rent structure, operating budget, and sources and uses of development funds is provided to MOH by the Developer in its application for funds. These budgets are reviewed by MOH staff and evaluated in staff analysis provided to the Housing Development Loan Committee established by the <u>Criteria and Procedures</u>. Staff will recommend a proposed structure for interest and principal repayment to the Committee and, if approved, to the Mayor at the time the development is approved.

Upon completion of the development, the Developer is monitored annually regarding its rents and operating budget to ensure that the rents are within the regulated amount and that the property is being maintained in accordance with program requirements. The results of this monitoring is included in MOH's Annual Performance Report to HUD for the HOME and other federal programs.

#### <u>Item 6 – File 98-1561</u>

Department:

Police Department Fire Department

Department of Parking and Traffic

Item:

Resolution waiving \$949.74 in fees to be charged for temporary street closing in connection with the Vietnamese Tet Festival held in January of 1998.

Description:

On January 25, 1998, the Vietnamese Community Center of San Francisco (VCC), a non-profit organization, held the Tet Festival. The Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT)<sup>1</sup>, in accordance with Administrative Code Section 2.70-6, granted VCC a permit to temporarily use Larkin Street between Eddy Street and O'Farrell Street and Ellis Street between Polk Street and Hyde Street in the Tenderloin for the purpose of conducting the Festival. According to Ms. Cindy Shamban of the Department of Parking and Traffic, VCC paid the required fee of \$80 for a street festival permit.

#### Comments:

- 1. Attachment I is an invoice provided by Ms. Shamban that bills the VCC the total of \$949.74 in costs incurred by the City in connection with the Tet Festival, including \$176² in personnel costs incurred by the SFPD, \$481.46 in personnel costs incurred by the DPT, and \$292.28 for application and inspection fees charged by the Fire Department.
- 2. Attachment II provided by Mr. Hoanh Bui of VCC contains a statement of the revenues and expenditures related to the Tet Festival held on January 25, 1998. According to the statement provided by Mr. Bui, the Tet Festival lost \$4,066.13, based on revenues of \$15,777.53 and expenses of \$19,843.66, and therefore the VCC does

<sup>&</sup>lt;sup>1</sup> The Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) is the entity that coordinates responses to traffic and transportation issues throughout the City. ISCOTT consists of representatives of the City's Departments of Parking and Traffic, Public Works, and City Planning, the Police and Fire Departments, and the Municipal Railway and the Port.

<sup>&</sup>lt;sup>2</sup> According to Lieutenant Don Carlson of the Police Department, the Department's actual personnel cost incurred during the January 25, 1998 Tet Festival was \$440. However, in accordance with Section 2.70-6 of the Administrative Code, the Police Department may only bill street festival sponsors 40 percent of the actual cost incurred or \$2,500, whichever is lower. In this case, 40 percent of \$440 is \$176.

not have funds available to pay the \$949.74 in fees billed by the City, according to Mr. Bui.

3. The proposed resolution incorrectly states that the Tet Festival was held in February of 1998. The actual date on which the Tet Festival was held was January 25, 1998.

#### Recommendations:

- 1. In accordance with Comment No. 3, amend the proposed resolution by substituting the date of January 25, 1998 for February 1998.
- 2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.



February 24, 1998

Vietnamese Tet Festival

Temporary Street Closing



Traffic Engineering Division
City and County of San Francisco

WILLIE LEWIS BROWN, JR., MAYOR BILL MAHER, EXECUTIVE DIRECTOR

Mr. Huynh Khac Minh
Vietnamese Community Center
434 Ellis Street
San Francisco, CA 94102

Dear Mr. Minh:

Pursuant to ordinance 383-95, please submit a check for \$949.74 to: "Department of Parking and Traffic" to cover the fees for the above mentioned event.

The fees are itemized below:

Police Department fee: \$176.00

DPT Enforcement fee: \$481.46

Fire Department fee: \$292.28

TOTAL: \$949.74

This amount is now due and payable to:

Department of Parking and Traffic Division of Traffic Engineering 25 Van Ness Avenue, Suite 345 San Francisco, CA 94102 Attn: Cindy Shamban

If you have any questions, please contact Cindy Shamban at 554-2341. Thank you for your cooperation,

Very truly yours,

Bond m. yee

Bureau Chief, Traffic

BMY:CBS:c:\bills\vietcele.198

#### THE VIETNAMESE COMMUNITY CENTER OF SAN FRANCISCO 601 VAN NESS AVENUE SUITE I SAN FRANCISCO, CA. 94102 - (415) 346-1230

# THE VIETNAMESE LUNAR NEW YEAR TET FESTIVAL ON 25-1-1998 STATEMENT OF REVENUE AND EXPENSE

#### REVENUE

Donations	\$5,362.38
Booths rental	\$3,375.00
Games booths	\$2,850.50
Flower booths	\$ 189.65
Grant from Mayor's Office	
of Children, Youth and their Families	\$4,000,00

Total Revenue \$15,777.53

#### **EXPENSES**

Rent booths, stage and portable toilets	\$4,641.15	
Tax collector	\$	75.00
Traffic Dept. (For handicaped signs)	\$	20.00
Health Dept.	\$	50.00
Closing streets fees	\$	80,00
Printing raffles tickets and coupons	\$	336.35
Insurance	2	450.00
Lucky money for children (red envelop)	2	400.00
Streets sweeping	2	600,00
Prices for 4 game booths	\$1	,379.39
Singers	\$2	,350.00
Special magazine for TET	\$1	,050.00
Advertising	\$1	,337.00
Photographer and video	\$	343.37
Marketing	\$	600.00
Soft drink and food for main booth	5	432.00
Dragon dance	\$	400.00
Flower for sale	S	400,00
Free food and drink for children	5	937.00
Free games for children	\$2	,500.00
Miscellaneous (office supplies, decorations		
and food for 108 volunteers)	\$1	,402.40

Total Expenses \$19,843.66

EXCESS EXPENSES OVER REVENUE

\$ 4,066.13

#### Item 7 - File 99-0076

Department:

Real Estate Department

Item:

Resolution authorizing the vacation and sale of surplus City-owned property (100 square foot sewer easement) at the southeast corner of Fifth and Bluxome Streets, portion of Assessor's Block 3786, Lot 17.

Description:

The 394 Townsend Associates, L.L.C. owns the surface rights to the subject property and wishes to purchase the City sewer easement associated with the site in order to develop a live-work housing project on site consisting of three buildings with 20 work-live units in each building. The surface of this property is currently vacant.

Mr. Robert Haslam of the Real Estate Department advises that the subject 100 square foot sewer easement on the southeast corner of Fifth and Bluxome Streets (see Attachment) has a nominal fair market value of \$2,500 and is under the jurisdiction of the PUC. PUC Resolution No. 98-0312 states that the subject property is no longer needed for present or prospective purposes, and recommends that the sewer easement be sold to 394 Townsend Associates, L.L.C. for the sum of \$2,500 provided the developer shall also pay a \$3,500 processing fee to the Real Estate Department, for a total of \$6,000. Mr. Haslam states that 394 Townsend Associates, Inc. will pay the City a total of \$6,000 when the corporation is presented with the deed to the subject property.

Comments:

In a letter dated August 28, 1998, the City Planning Department found that the proposed vacation of this sewer easement would (a) provide appropriate additional infill housing<sup>1</sup> in this established neighborhood, (b) increase the availability of units suitable for special user groups with special housing needs and (c) be categorically exempt from environmental review. In addition, the letter noted that the project has been reviewed for consistency

<sup>&</sup>lt;sup>1</sup> According to Ms. Cathy Bauman of the City Planning Department, "infill housing" is new housing construction in an established residential neighborhood, most often on (1) vacant sites which are not designed for open space, (2) sites where nonconforming uses have been terminated, (3) sites above commercial development in neighborhood shopping districts and (4) sites with buildings that cannot feasibly be rehabilitated.

with the Eight Priority Policies of Planning Code Section 101.1.

Recommendation:

Approve the proposed resolution.



Item 8 - File 98-0077

Departments: Department of Real Estate (DRE)

Item: Resolution (1) authorizing and approving a new

Management Agreement for a café on the <u>main floor</u> of City Hall in the North Light Court of City Hall between the City and Events Management Inc., dba McCall and Associates; (2) ratifying certain acts in connection with the proposed Management Agreement; and (3) ratifying certain modifications in a separate Management Agreement with L & L, a partnership, an agreement which had been previously approved by the Board of Supervisors on December 7, 1998, for the operation of a café, the City Hall Café, located on the ground floor of

City Hall.

Location: Main floor in the North Light Court of City Hall at 1 Dr.

Carlton B. Goodlett Place, San Francisco 94102

Purpose of Management Agreement:

To permit operation of a café at City Hall (the "Light Court Café") on the main floor of the City Hall building, in the North Light Court of City Hall. According to Mr. Mark Zuffo of the DRE, through a management agreement, as opposed to a lease agreement, the City has more control over the operation of the café and an easier and quicker ability to terminate the agreement upon default. However, according to Mr. Jesse Smith of the City Attorney's Office, the economic arrangement in regard to the Light Court Café resembles a lease agreement more than a management agreement.

Owner: City and County of San Francisco

Manager: Events Management Inc., dba McCall and Associates

("McCall and Associates")

Term of Lease: Five years, commencing January 4, 1999 and terminating

January 3, 2004.

Right of Termination: Both the City and McCall and Associates would have a

right to terminate the proposed management agreement

within the first 6 months (the "Trial Period").

Right of Renewal:

McCall and Associates would have an option to extend the term of the lease for one additional 5-year period.

Square Footage:

According to Mr. Steve Nelson, Director of Administrative Services, the space to be used under the proposed Management Agreement consists of approximately 3,000 square feet on the main floor of City Hall in the North Light Court, to be shared by McCall and Associates and any other catering services as authorized by the Department of Administrative Services. The proposed space consists of a seating area accommodating at least 48 persons and counter space for serving food and beverages. Additionally, a catering support room behind the counter would be used by McCall and Associates. This catering room consists of an additional 300 to 400 square feet, according to Mr. Nelson. No doors, partitions, or locks would separate the Light Court Café from the rest of the North Light Court, which covers 7,500 square feet.

Rental Payments to be made by McCall and Associates to the City:

Associates to the City: According to Mr. Zuffo and Mr. Steve Legnitto of the Department of Real Estate, both the base rent and the estimates of revenue (at 7 percent of gross revenue) to be paid by McCall and Associates to the City are still undetermined because (a) no prior record of sales exists for a café the North Light Court and (b) McCall and Associates' level of usage of the subject space, which is to be shared among different catering services and for different City Hall events, is still undetermined. Thus, in order to arrive at any prevailing market rate, the DRE will need to evaluate the level of business generated at the Light Court Café in the following months through a staff appraisal and will need to determine the precise level of usage of the shared space that is properly allocable to the Light Court Café.

For Months 1 through 6 (the "Trial Period"), McCall and Associates would pay the City 7 percent of gross revenues. No base rent would be paid during this Trial Period. As noted above, the Department of Real Estate is unable to estimate the monthly gross revenues from the proposed café operation and the estimated resulting rental revenues payable to the City.

For Month 7 through the expiration of the initial five-year term of the proposed Management Agreement, McCall and Associates would pay the City 7 percent of gross revenues plus the base rent at the prevailing market rate as determined by the DRE based on a staff appraisal that would consider the level of business generated at the Light Court Café.

If the option to extend the proposed Management Agreement for a 5-year period were exercised, then McCall and Associates would pay the City a percentage of gross revenue plus the base rent, based on the prevailing market rate to be determined by the DRE at that time based on a staff appraisal that would consider the level of business generated at the Light Court Café.

Utilities Provided by City:

The City will pay for all utilities.

Janitorial Services by McCall and Associates:

McCall and Associates would be responsible for janitorial services at the leased space.

Description:

### Proposed Light Court Café Services and Operation

Under the proposed Management Agreement with McCall and Associates, the Light Court Café would provide "upscale light faire food from behind the historic counter" in the North Light Court, consisting of coffee, espresso, pastries, juices, sodas, and beer and wine after 5 p.m. No items would be cooked on the premises, with all cooking and baking to be performed off-site. Food and beverages served within the proposed space would be required to be served using china or glass utensils. The hours of operation would be 11:00 a.m. through 6:00 p.m.

> Differences Between the Light Court Café (on main floor of City Hall) and the City Hall Café (on ground floor of City Hall)

> Currently, the Light Court Café operates on the main floor of City Hall, and the City Hall Café operates on the ground floor of City Hall.

> According to Mr. Zuffo, although both cafés are open to the public, the proposed Management Agreement with McCall and Associates pertaining to the proposed Light Court Café on the main floor of City Hall provides for a more upscale café than does the previously approved Management Agreement with L & L for the City Hall Café, which is located in a larger area on the ground floor of City Hall and which operates as a cafeteria.

Under Section 6.1 of the proposed Management Agreement with McCall and Associates, the Light Court Café would serve beer and wine after 5 p.m., which the City Hall Café does not serve at any time. Also under Section 6.1 of the proposed Management Agreement with McCall and Associates, all food and beverages must be served on china or glass utensils, and may not be served using plastic flatware or paper plates, as are used in the City Hall Café on the ground floor. Finally, under Section 6.2 of the proposed Management Agreement with McCall and Associates, the Light Court Café must maintain the hours of operation between 11:00 a.m. through 6:00 p.m.. whereas the City Hall Café on the ground floor maintains the hours of operation between 7:00 a.m. and 4:00 p.m. Mr. Legnitto explains that a provision exists for McCall and Associates to extend the hours of operation to after 6:00 p.m., which might be exercised in the future with approval from the City Hall Building Manager, under the Department of Administrative Services.

### Utilization of Subject Space

According to Mr. Zuffo and Mr. Legnitto, under the terms of the proposed Management Agreement, McCall and Associates is required to purchase and pay for all necessary equipment which it needs in order to operate the Light Court Café. The DRE could not provide an estimate of such equipment costs.

According to Mr. Zuffo, McCall and Associates currently hires two employees to work at the proposed Light Court Café and are obligated under the Management Agreement to properly staff the Light Court Café.

Mr. Zuffo estimates that the current seating capacity in the dining space of the Light Court Café is 48, but the maximum number is under the control of the Building Manager. Under the proposed Management Agreement, McCall and Associates would be required to vacate both the dining space and counter space when other catering preparations for City Hall events, as authorized by the Department of Administrative Services, are scheduled in the subject area of the Light Court Café.

#### Modifications to the L & L Agreement

As previously noted, the Management Agreement with L & L, a partnership, for the operation of the City Hall Café on the ground floor of City Hall was approved by the Board of Supervisors on December 7, 1998. (Resolution No. 1017-98).

According to Mr. Zuffo, on January 4, 1999, in the effort to have L & L operate the City Hall Café by that opening date of the renovated City Hall, the Director of Property and L & L agreed to modify the previously approved Management Agreement.

According to Mr. Legnitto, and as shown in Attachment I in a letter to the Board of Supervisors dated January 12, 1999 from Mr. Anthony DeLucchi, Director of Property, the following modifications were made to the original L & L Agreement:

- a) clarifying the operation of the two cafés, including a clause requiring the City to cooperate in defining the hours and manner of operation of the Light Court Café in order to distinguish it from the City Hall Café located in the basement of City Hall;
- eliminating the 30-month "without cause" termination provision;
- c) eliminating the surety bond requirement;

- modifying the provisions relating to the City's limited liability and removing the contractual monetary ceiling for which the City may be sued;
   and
- e) establishing "a credit against base rent of \$850 for the first two months and against percentage rent for the first month in view of the extraordinary equipment installation costs incurred by L & L."

In regard to e) above, Mr. Legnitto estimates that these credits would result in foregone rental payments totaling approximately \$4,400 which L & L would have otherwise paid to the City. This amount of \$4,400 is based on the \$1,700 that would have been paid to the City by L & L in base rent for two months (\$850 per month times two months), plus the estimated \$2,700 that would have been paid by L & L for one month based on 9 percent of gross revenues, estimated by the DRE to be approximately \$30,000 per month.

In regard to c) and d) above, Mr. Legnitto states that the proposed elimination of the surety bond requirement, and the proposed elimination of the contractual monetary ceiling on which L & L may bring legal action against the City, are necessary contractual modifications in order for the parties' legal obligations to be consistent with the intent of the original Management Agreement with L & L for the operation of the City Hall Café.

#### Comments:

#### 1. Selection of McCall and Associates

According to Mr. Zuffo, on September 8, 1998, the DRE sent out a Request for Proposals (RFP) to over 100 firms for the management of the proposed Light Court Café and the management of the City Hall Café. The RFP was also advertised in various newspapers and periodicals.

Mr. Zuffo reports that written proposals for the management of the Light Court Café were submitted by only two firms in response to the RFP by the deadline of September 25, 1998. According to Mr. Zuffo, these two proposals were considered unacceptable by the Selection Committee (composed of Mr. Zuffo, Mr. Nelson, and Mr. Ben Rosenfield of the Mayor's Office) for the management

of the proposed Light Court Café on the main floor of City Hall.

Subsequently, in an effort to provide for the Light Court Café operation by January 4, 1999, the opening day of the renovated City Hall, the Director of Property negotiated and entered into the proposed Management Agreement with McCall and Associates on a sole source basis, after McCall and Associates contacted the Selection Committee. The Light Court Café is currently operated by McCall and Associates.

Attachment II provided by Mr. Zuffo is a memo explaining why McCall and Associates was chosen on a sole-source basis, without any further attempt at a competitive bidding procedure.

# 2. Proposed Modifications to Management Agreement with L &~L

Ms. Christina Chi of the City Attorney's Office confirms that the modifications to the Management Agreement with L & L were business decisions made by the DRE, in an effort to facilitate the opening of the City Hall Café by January 4, 1999, the opening day of the renovated City Hall. According to Ms. Chi, the proposed removal of the monetary ceiling, which had been originally placed to safeguard the City's liability, would mean that there would be no limit under the contract, except as provided by applicable law, to the damages for which L & L could hold the City liable.

According to both Mr. Smith and Ms. Chi, while such modifications theoretically increase the City's exposure, the practical risk is not significant, because of the limited nature of the City's obligations under the Management Agreement with L & L, including primarily the obligation to use commercially reasonable efforts to distinguish the Light Court Café and the City Hall Café. Ms. Chi notes that the contractual limit is common in the City's management agreements but is not used in the City's leases because of the different economics involved in a lease. As previously noted, the economics of the Management Agreement with L & L are more similar to that of a lease agreement.

The original draft of the Management Agreement with L & L previously approved by the Board of Supervisors limited the City's obligation to L & L under the contract to the payment of approximately \$42,000 per year, which is the compensation provided for under the Management Agreement, According to Mr. Legnitto, L & L incurred, at its own cost, approximately \$125,000 in installing various equipment in the City Hall Café premises. Furthermore, under Section 8.1 of the Management Agreement with L & L, all equipment affixed to the premises would become property of the City upon expiration or earlier termination of the Management Agreement. The effect of the contractual limit would have been to limit L & L's remedy to substantially less than its investment in fixtures, which would become the City's property if the Management Agreement is terminated, even in the event of a breach by the City.

According to Ms. Chi, a surety bond is customarily used in a management agreement where the manager is handling the City's money. Ms. Chi states that in this instance, the economic arrangement is more similar to that of a lease, and surety bonds are not used in City leases.

#### Recommendations:

McCall and Associates was selected on a sole-source basis, and the DRE could not provide estimates of rental revenue which would be payable by McCall and Associates to the City. Based on these factors, the Budget Analyst makes a two-part recommendation as to the Management Agreement with McCall and Associates for the operation of the Light Court Café:

- (1) In regard to the Trial Period (or the first 6 months of café operation), approval of the proposed resolution as to the Management Agreement for the operation of the Light Court Café is a policy matter for the Board of Supervisors;
- (2) After four months of operation of the Light Court Cafe, and prior to the end of the Trial Period, the Management Agreement with McCall and Associates for the operation of the Light Court Café should be evaluated by the Department of Real Estate and the Department of Administrative Services, considering information gathered from the Trial Period such as the Light Court

Café's usage of space in the North Light Court and gross sales from the operation of the Light Court Café. The results of that evaluation should be presented to the Board of Supervisors as a basis for determining the approval of the proposed Management Agreement with McCall and Associates as to the remainder of the proposed term of the lease beyond the Trial Period.

As to the certain modifications made to the original Management Agreement with L & L for the operation of the City Hall Café on the ground floor of City Hall, the proposed resolution is a policy matter for the Board of Supervisors, since the proposed removal of the surety bond requirement under the original Management Agreement with L & L and the proposed removal of the contractual monetary ceiling on which legal action may be brought by L & L against the City would result in diminished financial protection for the City. proposed removal of the monetary ceiling safeguarding the City's liability would mean that there would be no limit under the contract to the damages for which L & L could hold the City liable. According to Ms. Chi, L & L's remedies would be limited by applicable law, and the City's obligations under the Management Agreement with L & L are limited and are under the City's control.

### City and County of San Francisco

Page 1 or 2

### Real Estate Departri

Office c

January 12, 1999



Through Mr. Steve Nelson, M Director of Administrative Services

Honorable Board-of Supervisors City and County of San Francisco 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Dear Board Members



990077

We recommend that you approve the attached Resolution authorizing and approving a management agreement between the City and County of San Francisco and EVENTS MANAGEMENT INC, DBA MCCALL AND ASSOCIATES, for operation of a café located in the North Light Court of City Hall, and ratifying certain acts in connection with such management agreement and the management agreement with L AND L, A PARTNERSHIP for the operation of the café located on the ground-floor of City Hall

The City had conducted a Request For Proposals for the management of the cafe located in the Main Floor North Light Court of City Hall (the "Light Court Cafe") and the café located on the ground floor of City Hall (the "Ground Floor Café") The City did not receive an acceptable response to the RFP pertaining to the Light Court Cafe, and in an effort to provide for the Light Court Cafe to be in operation on opening day of the renovated City Hall, the Director of Property negotiated and entered into a Management Agreement with Events Management Inc., dba McCall and Associates ("McCall"), a copy of which is on file with the Clerk of the Board of Supervisors The agreement between the City and McCall may be terminated within the first 6 months (the "Trial Period") The Director of Property has determined that the rental value of the space used for the Light Court Cafe is less than \$1,000 per month during the Trial Period and that McCall shall pay a percentage fee equal to seven percent (7%) of gross revenues during Trial Period. The Management Agreement for the Light Court Café also provides that after the Trial Period, McCall shall pay a base fee equal to the prevailing market rate (determined in accordance with the procedure described in the Management Agreement for the Light Court Cafe), plus a percentage fee equal to seven percent (7%) of gross revenues.

Pursuant to Board of Supervisor Resolution No. 1017-98, adopted on December 7, 1998, the Board of Supervisors approved a Management Agreement with L and L, a Partnership ("L & L") with respect to the Ground Floor Café known as "City Hall Café", and on January 4, 1999, the Director of Property and L & L entered into a Management Agreement that contains certain provisions regarding cooperation by the City with respect to the Light Court Café and includes certain other changes from the

Page 2 of 2

form approved by the Board of Supervisors, a copy of which Management Agreement is on file in the office of the Clerk of the Board of Supervisors.

The modifications to the agreement between the City and L & L were required to meet the intent of the City's request for Proposal in defining the operation of both cafe's located in City Hall. In addition to technical changes, the following changes were made to the previously submitted draft Management Agreement with L & L to provide for:

a) changes clarifying the operation of the two cafes, including a clause requiring the City to cooperate in defining the hours and manner of operation of the Light Court Cafe in order to distinguish it from the City Hall Cafe, b) addition of a credit against base rent for the first two months and against percentage rent for the first month in view of the extraordinary equipment installation costs incurred by L & L, c) removal of the thirty (30)-month "without cause" termination provision, d) deletion of a surety bond requirement, and d) a modification of the provisions relating to City's limited liability. In our opinion, none of the above listed changes reflected a substantial change to the agreement or to the benefits or costs to the City in this transaction, and were an attempt to negotiate final deal points prior to the City Hall opening

The attached resolution seeks authority for the Director of Property, on behalf of the City and County of San Francisco, to continue the Light Court Café Management Agreement beyond the Trial Period in accordance with the Management Agreement presented to the Board. It also authorizes the Director of Property to enter into any additions, amendments or other modifications to the Management Agreement for the Light Court Café (including, without limitation, the exhibits) that the Director of Property determines, in consultation with the City Attorney, are in the best interests of the City, do not decrease the fees payable to the City or otherwise materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated in the Management Agreement and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property any amendments.

Lastly, this legislation ratifies, confirms and approves all actions taken by the Director of Property and other relevant officers of the City with respect to the Management Agreement for the Light Court Café and the Management Agreement for the ground floor City Hall Café, including, without limitation, execution and delivery on behalf of the City of such agreements.

If you require additional information, please contact Steve Legnitto or Mark Zuffo of this office

Anthony M DeLúcchi Director of Property

Sincerely

Date: 1/26/99 Sender: Mark Zuffo To: Saralyn Ang

cc: Steve Legnitto, Tony DeLucchi

Priority: Normal

Subject: LightCourt Cafe

An RFP was conducted in September of 1998 for both a cafe on the ground floor and a cafe on the main floor of City Hall. An acceptable bid was chosen for the ground floor cafe (City Hall Cafe) in November of 1998. Neither of the two bids submitted for the main floor Light Court Cafe were acceptable to the selection committee. In late November, McCalls approached the selection committee with an idea for the Light Court Cafe. They submitted a written proposal with an artist's rendition of the Light Court area with the cafe. The selection committee accepted their proposal. Both Cafes opened for business on Jan. 5, 1999 and seem to be doing well so faf.

If you have any other questions regarding this matter please contact me at 554-9887.

Mark Zuffo Real Estate Department

Item 9 - File 99-0040

Department: Airport Commission

Item: Resolution approving a "Lease Agreement in the North

Field Cargo Facility" for new cargo warehouse space between Federal Express Corporation and the City and County of San Francisco, acting by and through the

Airport Commission.

Purpose of Lease: This new lease provides for Federal Express Corporation

(Federal) to occupy warehouse and office space in the Airport's North Field Cargo Facility (Facility), to be located in the North Field Area of the Airport. The Facility is currently under construction, at an estimated cost of \$59,000,000, and will have the Federal Express Corporation, Nippon Cargo Airlines, Inc. (NCA), and at least one other tenant. According to Ms. Diane Artz of the Airport, the estimated cost of Federal's exclusive components of the Facility is \$21,000,000. Facility Construction costs will be reimbursed to the Airport through the tenants' annual rental payments to the Airport. Federal presently rents approximately 95,835 square feet of space from the Airport at the Airport's Hangar C-01 on Plot 17, pursuant to a revocable permit, in the amount of \$12.00 per square foot per year, or \$1,150,020 based, based on the 95,835 square feet. The new Facility under construction is intended to replace the aging Hangar C-01 to allow for expansion of the Airport

Under the proposed lease, Federal would use the Facility to conduct integrated air cargo related business including receiving, delivery, dispatching, processing, handling and storage of air cargo and mail.

and to accommodate additional cargo activity in accordance with the Airport's Master Plan Program.

Lessor: City and County of San Francisco

Lessee: Federal Express Corporation.

Number of Sq. Ft.: A total of approximately 125,243 square feet of exclusive space, including 108,015 square feet of warehouse space,

17,228 square feet of office space, 37 truck dock positions and 12 delivery truck parking positions. Total space in

the Facility, including space used exclusively by the particular tenants as well as common area space, will total approximately 188,000 square feet of warehouse space and 39,000 square feet of office space.

# Amount Payable to Airport:

The proposed lease would require Federal to pay the Airport an annual rent which is the greater of the Cost Amount¹ or the Market Value Amount². The City will determine the exact Cost Amount and the Market Value Amount on or before 150 days prior to the first rental payment to the Airport is due. Mr. Bob Rhoades, Deputy Director of Airport Business and Finance, estimates that the rent payable by Federal to the Airport will be \$21.42 per square foot per year, or \$2,682,705.06 annually, based on the 125,243 square feet. According to Mr. Rhoades, the \$21.42 is estimated to recover the capital costs of Federal's components of the building, as well as to fully reimburse the Airport for the Airport's annual operating and maintenance costs of Federal's components of the building.

The proposed lease also provides for annual increases in the rent based on increases in the Consumer Price Index. However, in the sixth year of the proposed lease, the annual rental payment to the Airport will be determined by a City reappraisal of the Facility to the Market Value Amount, and the subsequent annual increases in the rent will be made based on increases in the Consumer Price Index through the end of the lease.

#### Term of Lease:

Approximately ten years and six months, estimated to begin in February or March of 1999 when Federal begins its six month tenant improvement program, and to end in July or August of 2009.

#### Description:

The Airport is constructing a new North Field Cargo Facility (Facility) to provide cargo warehouse space as part of the Airport's Master Plan Program. Completion of

<sup>&</sup>lt;sup>1</sup> Cost Amount is the sum of (a) projected annual debt service incurred by the City attributable to the financing, design and construction of the Facility, and (b) the projected annual operating and maintenance charges for the Facility and related administrative charges incurred by the City.

<sup>&</sup>lt;sup>2</sup> Market Value Amount is the rent a third party would be willing to pay to lease the Facility, based on (a) the size, location and age of the Facility, (b) services provided under this proposed lease, (c) the rental being obtained for new leases of space at the Airport, and (d) the quality of construction of this new Facility.

the construction of the total Facility is scheduled for January of 2000; The Facility is being constructed in phases, and completion of Federal's and NCA's portions of the Facility is scheduled for the Fall of 1999.

#### Comments:

- 1. The Airport Commission adopted Resolution No. 98-0173 on July 14, 1998, recommending the award of the lease to the proposed lessee, Federal. According to Ms. Artz, it has taken the Airport more than six months to forward this legislation to the Board of Supervisors because although the Airport Commission recommended the award of the proposed lease in July of 1998, Federal did not receive the proposed lease until October of 1998, and Federal did not sign and return the lease to the Airport until mid-December of 1998.
- 2. Section 2A.173 of the City Administrative Code states "The Airport Commission shall have power to negotiate and execute leases of airport lands and space in airport buildings, without necessity for competitive bidding, to any person, firm, or corporation engaged in air transportation ... provided, that the original term of any such lease shall not exceed 50 years, nor shall any extension of such lease exceed a period of 50 years."
- 3. According to Mr. Rhoades, the lease with Federal was recommended without soliciting competitive bids because the Airport has the authority to make such awards pursuant to the Administrative Code as cited in Comment No. 2 above, and because after a thorough analysis of airline needs and Airport resources, a careful selection of airlines was made to match the land and space available, and Federal was determined to be the most suitable lessee.

Mr. Rhoades states that in accordance with the Airport's Master Plan Program, the North Field area of the Airport is designed purely for "freighters", or air transportation firms dealing only with the transport of cargo, and as such the North Field area is not desirable to the majority of airlines, which carry passengers in addition to cargo. The majority of airlines seeking land and space at the Airport desire the West Field Area as it is designed for both passengers and cargo. Mr. Rhoades states that to date, Federal Express Corporation and Nippon Cargo Airlines are the only two airlines that have formally

requested space in the North Field Cargo Facility. A lease with NCA was previously approved in December of 1998 by the Board of Supervisors (File No. 98-1791).

4. Ms. Artz states that approximately 18,000 square feet of Facility space will remain after both Federal and NCA occupy the Facility. Mr. Rhoades states that although only two airlines, Federal and NCA, have formally requested space in the Facility, one other airline, Korean Air, is currently negotiating with the Airport to lease the remaining 18,000 square feet of space in the North Field Cargo Facility. Mr. Rhoades states that Korean Air will most likely lease this remaining space, and that even if Korean Air chooses to not lease this space, there is sufficient airline demand for space in the North Field area to ensure that no space in the Facility will remain vacant and that 100 percent of the Airport's capital costs as well as the operating and maintenance costs of the Facility will be recovered.

Recommendation:

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Yee Supervisor Bierman Supervisor Becerril President Ammiano Supervisor Brown Supervisor Katz Supervisor Kaufman Supervisor Leno Supervisor Newsom Supervisor Teng Supervisor Yaki Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakev



# City and County of San Francisco Meeting Minutes

Finance and Labor Committee

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

Wednesday, February 10, 1999

10:00 AM

City Hall, Room 263

**Regular Meeting** 

Members Present:

Leland Y. Yee, Tom Ammiano.

Members Absent:

Sue Bierman.

DOCUMENTS DEPT.

### Meeting Convened

The meeting convened at 10:01 a.m.

REGULAR AGENDA

FEB 2 2 1999

SAN FRANCISCO PUBLIC LIBRARY

990049 [Federal Funding - Community Development]

Mayor

Resolution approving the 1999 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 1999 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$65,853,985 which include indirect costs of \$124,015; approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1999 CDBG entitlement funds in excess of \$25,123,000.

1/11/99, ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

2/3/99, CONTINUED. Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, MOCD; Marsha Rosen; Director, MOH; Supervisor Ammiano; Comer Marshall; Karen Pierce; Anthony Imperial; Raquel Medina; Pastor George Lee; Essie Collins; Pat Henderson; Eunice Mix; Almarie Steward; Roger Langford; David Smith; Supervisor Yee.

#### AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the 1999 Community Development Program authorizing the Mayor, on bchalf of the City and County of San Francisco, to accept and expend the City's 1999 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income generated by Mayor's Office of Community Development, Mayor's Office of Housing and the San Francisco Redevelopment Agency up to \$65,941,040 which include indirect costs of \$124,015; approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in unreserved fund balances of 1999 CDBG entitlement funds in excess of \$25,123,000; placing \$503,475 on reserve.

#### RECOMMENDED AS AMENDED by the following vote:

#### 990078 [Federal Funding - Emergency Shelter Program]

Resolution approving the 1999 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and City and County of San Francisco to apply for, accept, and expend a \$891,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development. (Mayor)

1/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/3/99, CONTINUED. Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, MOCD; Marsha Rosen; Director, MOH; Supervisor Ammiano; Comer Marshall; Karen Pierce; Anthony Imperial; Raquel Medina; Pastor George Lee; Essie Collins; Pat Henderson; Eunice Mix; Almarie Steward; Roger Langford; David Smith; Supervisor Yee.

#### AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the 1999 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and City and County of San Francisco to apply for, accept, and expend a \$891,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development; placing \$120,350 on reserve. (Mayor)

#### RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990079 [Federal Funding - Home Program]

Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,079,000 for the HOME Program authorized under Title 11 of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 1999 action plan for San Francisco's consolidated plan. Indirect costs associated with the acceptance of this grant funds will be paid by the Community Development Block Grant funds. (Mayor)

1/13/99, RFCEIVED AND ASSIGNED to Finance and Labor Committee.

2/3/99, CONTINUED. Heard in Committee. Speakers: Pamela David, Director Mayor's Office of Community Development; George Welch, President Citizens Committee Community Development; Supervisor Ammiano; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dan Sullivan; Marsha Rosen, Director Mayor's Office of Housing; Norma Telson; Rita Alvisa; Miss A. Rosa; Miss Toni; Marcio Vela; Maurice Sabinas; Joseph Sciancalepore; Diane Chin; Miss Reyes; Supervisor Bierman; Supervisor Ammiano. Continued to February 10, 1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, MOCD; Marsha Rosen; Director, MOH; Supervisor Ammiano; Comer Marshall; Karen Pierce; Anthony Imperial; Raquel Medina; Pastor George Lee; Essie Collins; Pat Henderson; Eunice Mix; Almarie Steward; Roger Langford; David Smith; Supervisor Yee.

#### RECOMMENDED by the following vote:

#### 990091 [Interdepartmental Jurisdictional Transfer]

Supervisor Bierman

Ordinance transferring jurisdiction over certain real property located at Drumm Street, between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

1/19/99, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Eula Walters. Continued to February 24, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 982131 [Union Square Public Parking Garage 1999 Lease]

Supervisor Kaufman

Ordinance approving and authorizing the execution and delivery of a lease of the Union Square Public Parking Garage and a supplemental park maintenance agreement, an amendment to the lease of the Sutter-Stockton Garage and an amendment to a 1993 payment agreement; approving the issuance of City of San Francisco Uptown Parking Corporation Parking Revenue Bonds; adopting and making certain findings pursuant to the California Environmental Quality Act; and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, all in connection with the financing of seismic retrofit improvements to and the expansion of the Union Square Public Parking Garage and of improvements to Union Square Park.

12/21/98, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Allison Krumbein on behalf of Supervisor Kaufman; Rich Hills, Mayor's Office; Don Alameida, Public Works Dept.; April Phillips; Supervisor Ammiano; Supervisor Yee; Ted Lakey, Deputy City Attorney; Michael Cohen, Deputy City Attorney; Ernie Prindle, Recreation and Park Dept.; Linda Mjellem, Executive Director, Union Square Association; Paul Newman, Attorney for Uptown Parking Corporation; John Barber, Director, Parking Authority.

#### AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance approving and authorizing the execution and delivery of a lease of the Union Square Public Parking Garage, a supplemental park maintenance agreement, an amendment to the lease of the Sutter-Stockton Garage and an amendment to a 1993 payment agreement; approving the issuance of City of San Francisco Uptown Parking Corporation Parking Revenue Bonds and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds; adopting findings pursuant to the California Environmental Quality Act; and adopting findings of consistency with the San Francisco General Plan; all in connection with the financing of improvements to and the expansion of the Union Square Public Parking Garage and of improvements to Union Square Park.

#### RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990155 [Bayshore-Hester Surplus Funds Declaration]

Resolution making a declaration of a surplus in the improvement fund for the Bayshore-Hester assessment district and directing disbursement of such surplus. (Mayor)

1/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Sara Hollenbeck, Mayor's Office of Finance. RECOMMENDED by the following vote:

# 990041 [Amendment to 1997-2001 MOU, American Physicians and Dentists, Bargaining Unit 8-CC]

Ordinance amending Ordinance Number 259-97 to implement the provisions of an arbitrator's award amending the provisions of the Memorandum of Understanding between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8-CC to be effective July 1, 1998. (Department of Human Resources)

(Fiscal impact.)

1/8/99, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee. 1/27/99 - From Controller, submitting cost analysis of amendment to MOU between CCSF and United Association of Physicians and Dentists for the period July 1, 1999 through June 30, 2001, affecting 181 employees with a salary base of \$19.8 million.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Human Resources.

#### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

# 990042 [Amendment to 1997-2001 MOU, American Physicians and Dentists, Bargaining Unit 11-AA]

Ordinance amending Ordinance Number 258-97 to implement the provisions of an arbitrator's award amending the provisions of the Memorandum of Understanding between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11-AA to be effective July 1, 1998. (Department of Human Resources)

(Fiscal impact.)

1/8/99, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee. 1/27/99 - From Controller, submitting cost analysis of amendment to MOU between CCSF and United Association of Physicians and Dentists for the period July 1, 1999 through June 30, 2001, affecting 181 employees with a salary base of approximately \$19.8 million.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Human Resources.

#### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990043 [Amendment to 1998-2001 MOU, Teamsters Local 856]

Ordinance implementing Amendment No. 1 to the Memorandum of Understanding between the Teamsters Local 856 and the City and County of San Francisco to correct a clerical error by adding Classification 3372 Animal Control Officer and deleting Classification 3370 Animal Care Attendant in the listing of classifications having one year probationary period as set forth in Article II.B probationary period effective July 1, 1998 through June 30, 2001. (Department of Human Resources)

1/8/99, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Human Resources.

#### RECOMMENDED by the following vote:

#### 990044 [Amendment to 1998-2001 MOU, Deputy Sheriffs' Association]

Ordinance implementing the provisions of an amendment to the Memorandum of Understanding between the San Francisco Deputy Sheriffs' Association and the City and County of San Francisco to add Appendix D: Leave of Absences, in order to correct a clerical error of omission. (Department of Human Resources)

1/8/99, RECEIVED AND ASSIGNED to Finance Committee.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Human Resources; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 981796 [ATM Surcharges]

Supervisors Ammiano, Bierman, Medina, Yee

Ordinance amending Police Code by adding Section 648.1 to prohibit a financial institution from imposing a surcharge on non-account holders who use ATMs of the financial institutions that are located in San Francisco.

(Adds Section 648.1.)

10/26/98, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 11/25/1998.

11/30/98, CLERICAL CORRECTION to Finance Committee. Amended on Page 1, line 5 to replace "ATMS" with "ATMs" and "Institution" with "Institutions".

1/25/99, TRANSFERRED to Small Business, Economic Vitality and Consumer Services Committee.

1/29/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Ted Lakey, Deputy City Attorney; Clarice Duma, Legislative Analyst; Supervisor Yee.

Autorney, Garlee Dama, Degistative Analysi,, Sapervisor Fee. Support: Joh Golinger; Walter Johnson, Labor Council; Chuck Ayala; Arthy Varma; Linda Sherry; Howard Pacheco; Gail Hillebrand; Shirley Bierly; Frank Martini-Delcampo; Chriss Ramero; Vivian Louie.

Opposed: Roberta Achenberg, California Chamber of Commerce; Greg Wilhalm; Edward Levy; Craig Hudson; Bryon Scordelis; Paul VanEtten; Frank Bartaldo; Robert Menicucci; Stephen Adams; Mark Mosher;

Jon Nakamura; James Rockenbach; Nick Aiello; Howard Wallace; Chris Chenoweth.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### **ADJOURNMENT**

Meeting adjourned at 1:20 p.m.



3

CITY AND COUNTY



# OF SAN FRANCIS POCUMENTS DEPT.

### BOARD OF SUPERVISORS

FEB 1 0 1999

#### BUDGET ANALYST

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February 5, 1999

TO:

Finance and Labor Committee

FROM:

Budget Analyst Recommendations for meeting of

SUBJECT: February 10, 1999 Finance and Labor Committee Meeting

Item 1 - File 99-0049

Note: This item was continued by the Finance and Labor Committee at its

meeting of February 3, 1999.

Department:

Mayor's Office of Community Development (MOCD)

Item:

Resolution approving the 1999 Community Development Program and authorizing the Mayor to apply for, receive and expend the City's 1999 Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD) estimated to be \$25,123,000. The proposed resolution would also transfer and expend program income generated by the San Francisco Redevelopment Agency of up to \$40,730,985 for a total 1999 CDBG Program of up to \$65,853,985. The proposed resolution would also (a) expenditure schedules for recipient departments and agencies, including indirect costs of \$124,015. (b) determine that no environmental evaluation is required and (c) authorize the receipt and deposit of any funds in excess of the entitlement of the 1999 CDBG entitlement of \$25,123,000 be placed in a Contingency Fund.

Description:

Refer to the Budget Analyst's separate report of January 29, 1999 on the Mayor's proposed 1999 Community Development

Program.

#### Comments:

The Attachment to this report summarizes our final revised recommendations to our previously issued report dated January 29, 1999 on the Mayor's proposed 1999 Community Development Program. The recommendations which have been revised from our prior report are as follows:

- 1. Withdrawal of the \$35,250 reduction to Section XI Planning and Capacity Building, based on additional information provided by MOCD.
- 2. Withdrawal of the \$33,960 reduction to Section XII Program Administration, Controller and Indirect Costs. based on additional information provided by MOCD.
- 3. Withdrawal of \$60,021 which would have disapproved one requested class 1369 Special Assistant X position to Section XII Program Administration, Mayor's Office of Housing, based on additional information provided by MOCD.
- 4. Withdrawal of \$293,000 of previously recommended reserves in Section IX Community Economic Development Economic Development Pool from \$493,000 to \$200,000, based on additional information provided by MOCD.
- 5. Addition of a reserve of \$76,602 for one new MOCD position Class 1371 Special Assistant XII for Economic Development activity, pending submission of a detailed work program submitted to the Finance and Labor Committee pertaining to the Economic Development activity. The work program should identify specific program components, performance measures anticipated accomplishments related to Economic Development in order to justify the requested new position.

- Recommendations: 1. Reduce the 1999 Community Development Program by \$108,000 from \$25,123,000 to \$25,015,000 as shown in the Attachment to this report.
  - 2. Reserve \$376,602 in the 1999 Community Development Program as shown in the Attachment to this report.

# Recommended Reductions

Section	pn Program or Recipient	Amount	Page
XII	Mayor's Office of Homelessness	\$ 2,796	87
	Mayor's Office of Housing	80,204	92
	(recommended reduction reduced by \$60,021 based on new in provided by MOCD)	nformation	
	Disability Council	5,000	92
	S F Department of City Planning	20,000	94
	Total Recommended Reductions	108 000	

# Recommended Reserves

Section	n Program or Recipient	Amount	Page No.
III	San Francisco Housing Authority Program Pool	\$100,000	13
IX	Community Economic Development Economic Development Pool (recommended reserve reduced by \$293,000 based on additional information provided by MOCD)	200,000	61
XII	Mayor's Office of Community Development (MOCD has not adequately justified an additional new position)	<u>76,602</u>	79

Total Recommended Reserves \$376,602



Item 2 - File 99-0078

Note: This item was continued by the Finance and Labor Committee at its

meeting of February 3, 1999.

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the 1999 Emergency Shelter Grants

Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend an \$891,000 entitlement under the Emergency Shelter Grants Program of the U.S.

Department of Housing and Urban Development.

Grant Amount: \$891,000

Grant Period: April 1, 1999 through March 31, 2000

Source of Funds: U.S. Department of Housing and Urban Development (HUD)

Emergency Shelter Grants Program (ESGP)

Description: The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless

established under the Stewart B. McKinney Homeless Assistance Act in July, 1987. The program is designed (1) to assist in improving the quality of existing emergency shelters for the homeless, (2) to assist in making available additional emergency shelters, and (3) to assist in meeting the costs of operating emergency shelters in order to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to

improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories, three program categories (Essential and Social Services, Maintenance and Operating Expenses and Homeless Prevention Services), and two other categories, MOCD Administration and an Emergency Shelter Grants Pool.

The MOCD advises that grant funds in the amount of \$891,000 from the 1999 ESGP (\$93,000 less than the 1998 ESGP allocation of \$984,000) would be allocated to 24 projects (including administration and the grants pool) under the five categories identified above involving 16 non-profit homeless service providers and shelters.

Descriptions of the 24 projects including administration and the grants pool selected for funding by MOCD are as follows:

#### ESSENTIAL AND SOCIAL SERVICES

These grants would assist in funding staff at homeless shelters for shelter management and for the provision of social services to shelter residents.

#### Asian Women's Shelter

\$36,856

\$25,000

The grant would fund the salary of a Facilities Coordinator. The Asian Women's Shelter provides emergency shelter and support services to battered monolingual Asian women and their children.

### Catholic Charities of the Archdiocese of San Francisco/ Family Resource Center

814 Mission Street, 3rd Floor

The grant would be used to pay for 58 percent of the personnel costs of a case manager for the operation of a child care center for homeless families.

# Dolores Street Community Services

\$31,250

938 Valencia Street

The grant would be used to help fund the Case Manager position. Dolores Street Community Services provides emergency shelter and support services at three adult shelters.

### La Casa de las Madres

\$45,782

The grant would be used to provide for a Women's Advocate and a Facility Assistant. La Casa de las Madres provides shelter and advocacy services, a 35-bed emergency shelter program, case management, information and referral services.

## Swords to Plowshares 1063 Market Street

\$31,400

The grant would help fund a part-time social worker and a part-time claims assistant. The Swords to Plowshares program provides outreach and legal services to homeless veterans and transitioning toward vocational training and employment.

# United Council of Human Services

\$28,400

2111 Jennings Street

The grant would help pay a portion of the staffing at the Center. The United Council of Human Services provides free hot meals, clothing, and job referral and employment services to low-income and homeless people in the Bayview Hunters Point Community.

Subtotal

\$198,688

#### MAINTENANCE AND OPERATING EXPENSES

These grants would pay basic operating expenses at homeless shelters and other homeless support organizations.

# Asian Women's Shelter

\$19,144

location confidential

This grant would pay for repairs and maintenance, insurance, telephone and utilities.

# Bar Association of San Francisco

\$17,491

The Volunteer Legal Service Program (VLSP) 955 Market Street, Suite 915

Overhead expenses including repairs, insurance, rental of space, supplies, telephone, travel, printing and audit of their project activities.

# Central City Hospitality House - Orlando

House

\$10,000

290 Turk Street

The grant would pay for utilities, telephone, insurance, repairs and maintenance. The Central City Hospitality House - Orlando House is a shelter for runaway and homeless youths ages 15 to 17 years.

### Central City Hospitality House 146 Leavenworth Street

\$10,300

The grant would pay for portions of various overhead costs including utilities, insurance, office supplies and rental of space. The Central City Hospitality House is an emergency shelter for homeless men.

#### **Dolores Street Community Services** 1249 Alabama and 24th Street

\$9,750

The grant would pay for portions of the cost of rent, insurance, utilities, supplies and an audit of the program.

# Episcopal Community Services of San Francisco

\$40,000

201 Eighth Street

The grant would be used to pay for rent, and utilities. The Episcopal Community Services of San Francisco provides shelter, rehabilitation services, and case management services to homeless men and women.

# Friendship House Association of American Indians

\$36,900

80 Julian Avenue

The grant would pay for rent, repairs and maintenance, insurance, audits, utilities, telephone, postage, and office supplies. The Friendship House Association of American Indians provides residential alcohol and drug abuse treatment services to American Indian women and men.

## Hamilton Family Center 1525 Waller Street

\$43,000

The grant would pay for renting the program facility. Hamilton Family Center is a homeless family shelter that provides meals, preschool programs, on-site medical clinic, children's therapy, and family case management.

# La Casa de las Madres

\$31,518

location confidential

The grant would pay for the rental of the shelter.

# Larkin Street Youth Center - Diamond Youth Center

\$54,000

536 Central Avenue

The grant would pay for rent, repairs, utilities and telephone. The Larkin Street Youth Center - Diamond Youth Center provides emergency shelter and support services for 12 to 17 year old runaways and homeless youths.

# St. Vincent de Paul Society Confidential Location

\$20,000

The grant would be used to pay for rent at the Rosalie House, the agency's program for battered women and children. Rosalie House is an eight week, 20-bed facility for women and their children who are victims of physical, sexual, or emotional abuse.

# Swords to Plowshares 1063 Market Street

\$7,200

The grant would be used to pay rent, insurance, office supplies, MUNI fast passes to clients and to audit the program.

## United Council of Human Services 1345 Ocean Avenue

\$67,600

The grant would help pay for rent, insurance, repairs, office supplies, utilities, food, fuel for vehicles and an audit of the program.

Subtotal

\$366,903

#### **HOMELESS PREVENTION SERVICES**

These grants would fund programs dedicated to preventing homelessness and to assisting the homeless in obtaining governmental benefits.

# American Red Cross

\$68,000

### Homeless Prevention Program 1440 Harrison Street

The grant would pay for one-time rental assistance for individuals and families facing eviction because of an inability to pay rent. The American Red Cross Bay Area - Homeless Prevention Program provides rental assistance to low-income San Francisco residents.

# Bar Association of San Francisco \$42,509 The Volunteer Legal Service Program (VLSP) 955 Market Street, Suite 915

The grant would partially pay for personnel costs for five employees that provide legal and related social services to traditionally underserved client groups that include low income San Francisco residents.

# Compass Community Services - (formerly Traveler's Aid of San Francisco) \$50,000 942 Market Street, 6th Floor

The grant would help pay for hotel rooms for homeless families. Compass Community Services provides emergency shelter for homeless families.

Subtotal

\$160,509

#### MOCD ADMINISTRATION

\$44,550

The amount of \$44,550 represents five percent of the total ESGP grant award of \$891,000. This amount will partially fund the salaries of a program administrator (50%) and an accountant (25%) at the MOCD, for a combined .75 FTE of staff time, to administer the proposed grants. The amount of \$44,550 for MOCD administration in 1999 represents a decrease of \$4,650 or 9.5 percent from the 1998 budget allocation of \$49,200.

#### EMERGENCY SHELTER GRANTS POOL \$120,350

The Emergency Shelter Grants Pool is a pool to provide additional assistance for programs and related services for the homeless. Such program and services have not yet been determined. The Pool would be reduced by \$94,650 from \$215,000 in 1998 to \$120,350 in 1999. The \$120,350 would be allocated to specific projects at a later time.

TOTAL

Subtotal

\$891,000

\$198,688

### Project Budget:

#### Essential and Social Services (22.3% of Total Grant)

	Amount
Asian Women's Shelter	\$ 36,856
Catholic Charities/St. Joseph's Village	25,000
Dolores Street Community Services	31,250
La Casa de las Madres	45,782
Swords to Plowshares	31,400
United Council of Human Services	28.400

Maintenance and Operating Expenses (41.2% of Total	l Grant)
	Amount
Asian Women's Shelter	\$19,144
Bar Assoc. of San Francisco, Volunteer Legal	
Services Program	17,491
Central City Hospitality House - Orlando	
House 10,000	
Central City Hospitality House	10,300
Dolores Street Community Services	9,750
Episcopal Community Services	
of San Francisco	40,000
Friendship House Association of	
American Indians	36,900
Hamilton Family Center	43,000
La Casa de las Madres	31,518
Larkin Street Youth Center - Diamond	
Youth Center	54,000
St. Vincent de Paul Society	20,000
Swords to Plowshares	7,200
United Council of Human Services	67,600
Cubtatal	#0.00 000
Subtotal .	\$366,903

### Homeless Prevention Services (18.0% of Total Grant)

Description	
American Red Cross Bay Area SF	\$68,000
Bar Assoc. of San Francisco, Volunteer Legal	
Services Program	42,509
Compass Community Services	50.000
Subtotal	0100 700
Subtotal	\$160,509

### MOCD Administration (5.0% of Total Grant)

Subtotal <u>\$44,550</u>

#### Emergency Shelter Grants Pool (13.5% of Total Grant)

Subtotal \$120,350

GRAND TOTAL

\$891.000

Required Match:

\$891,000 will be provided by the Department of Human Services (DHS) from General Fund monies approved in the FY 1998-1999 DHS Budget. A description of these funds is provided in Comment No. 1.

Indirect Costs:

None

Total

#### Comments:

1. Mr. Jon Pon of MOCD reports that, in order to comply with the required match of local funds, a total of \$891,000 has been allocated from FY 1998-99 General Fund monies approved in the budget of the Department of Human Services. These include:

American Red Cross Bay Area	\$ 73,500
Central City Hospitality House	200,000
Compass Community Services	531,769
Dolores Street Community Services	85.731

2. The proposed grant allocation of \$891,000 for 1999 represents a \$93,000 or 9.45 percent decrease over the 1998 budget allocation of \$984,000.

\$891,000

- 3. The MOCD reports that it conducted a Request for Proposal (RFP) process in June of 1998 to homeless service providers and shelter operators for the 1999 Emergency Shelter Grants Program. In July of 1998, the MOCD received 20 applications requesting \$1,273,868 in ESGP funds in response to the RFP process. A total of 24 project applications were selected. These projects are the subject of this report.
- 4. The MOCD has prepared a Disability Access Checklist, which is on file with the Clerk of the Board.
- 5. Four projects received new or increased funding in 1999 that total \$106,300. These are in addition to approved funding during 1998. We consider the approval of new and increased funding to be policy matters for the Board of Supervisors. The four projects subject to new or increased funding are as follows:

Project	1999 Proposed <u>Funding</u>	1998 Funding <u>Allocation</u>	Amount of New or Increased Funding
BASF/Volunteer Legal Services Program Episcopal Community Services of San Franc Friendship House Association of American	\$60,000 isco 40,000	\$ 0 31,000	\$60,000 9,000
Indians	36,900	24,600	12,300
United Council Of Human Services	96.000	71.000	25.000
Totals	\$232,900	\$126,600	\$106.300

> 6. Because \$120,350 has been set aside for future projects in the Emergency Shelter Grants Pool, that will be allocated at a later time, the funds should be reserved until MOCD provides the Finance Committee with budget details as to how these monies will be allocated.

- Recommendations: 1. Approve funding in the amount of \$784,700 (\$891,000 requested less the increased funding level of \$106,300 for new and existing projects).
  - 2. In accordance with Comment No. 5 above, we consider approval of \$106,300 in new and increased funding levels to be a policy matter for the Board of Supervisors.
  - 3. In accordance with Comment No. 6, reserve \$120,350 set aside in the Emergency Shelter Grants Pool pending further information by MOCD submitted to the Finance Committee of budget details and related allocations.



### <u>Item 3 – File 99-0079</u>

Note: This item was continued by the Finance and Labor Committee at its

meeting of February 3, 1999.

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing the Mayor to apply for, accept and

administer a grant from the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnership Program authorized under Title II of the National Affordable Housing Act of 1990 and approving the HOME Program description as described in the Preliminary 1999 Action Plan for the City and County. Indirect costs associated with the acceptance of these grant funds will be paid by Community

Development Block Grant (CDBG) funds.

Grant Amount: Not to exceed \$7,079,000.

Grant Period: April 1, 1999 to March 31, 2000

Source of Funds: U.S. Department of Housing and Urban Development

(HUD)

Project: Home Investment Partnership (HOME) Program

Description: The HOME Program is authorized under Title II of the

National Affordable Housing Act of 1990 (Public Law Number 101-625). The Act provides funds for the acquisition, rehabilitation and development of privately-

owned affordable housing.

In August, 1994, HUD issued regulations requiring that beginning in 1995, a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People With AIDS (HOPWA) Program and (c) the Community Development Block Grant Program (CDBG). In response, the MOH has developed a "Preliminary 1999 Action Plan for the City and County of San Francisco, Draft for Public Review." The MOH advises that the

<sup>&</sup>lt;sup>1</sup> The "Preliminary 1999 Action Plan for the City and County of San Francisco, Draft for Public Review," dated January 15, 1999, contains the City's plans and programs for privately-owned housing, totaling \$53,546,075, as shown in the following pages. The "final" 1999 Action Plan will reflect the program funding requests approved by the Board of Supervisors in this subject HOME Program legislation, and legislation being considered by the Finance Committee (see Files 99-0049 and 99-0078 of the Budget Analyst's report to the Finance Committee of February 3, 1999).

Preliminary 1999 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs enumerated above, will function as the MOH grant application for HOME Program funding from HUD. MOH and MOCD must submit the 1999 Action Plan to HUD by February 15, 1999. According to the Preliminary 1999 Action Plan for privately-owned housing development and administrative costs, the MOH anticipates receiving \$7,077,000<sup>2</sup> for the HOME Program, or \$492,000 more than the 1998 allocation of \$6,585,000.

The Preliminary 1999 Action Plan for privately-owned housing developments in San Francisco totals \$53,546,075, including the proposed \$7,077,000 HOME grant allocation and the following other sources of housing funds:

HUD HOME Funds: Proposed New 1998 Funds (Subject of this request) Less funds for administrative costs Subtotal HOME Funds	\$7,077,000 <u>855,900</u> 6,221,100
Other Federal Sources	0,221,100
Community Development Block Grant (CDBG)	5,673,115
CDBG Program Income	1,178,545
HUD HOPWA funds	1,150,000
Subtotal Other Federal Sources	8,001,660
Local Sources	
Proposition A (Affordable Housing and Home	
Ownership General Obligation Bond Funds to	
be requested)	19,798,000
Tax Increment Funds:	
Carry-forward Funds From 1998-99	11,084,297
Hotel Tax Funds	5,000,000
Affordable Housing Fund (OAHPP Program)	2,348,018

<sup>&</sup>lt;sup>2</sup> The final amount approved by HUD is \$7,077,000 or \$2,000 less than the not to exceed amount of \$7,079,000 contained in the proposed resolution and includes an administrative allocation of \$855,900, as shown in the "Budget" section of this report.

Home ownership Assistance Loan Payments
Code Enforcement Rehabilitation Fund (CERF)
(CERF funds are received from the State Franchise
Tax Board as a result of disallowed income tax
Deductions and penalties from taxpayers with
San Francisco Housing Code violations)

100.000

\$ 993,000

Subtotal Local Sources

\$39,323,315

Total Projected Funds for Privately-Owned Housing Developments in 1999

\$53,546,075

The proposed total 1999 HOME Program funds of \$7,077,000 represents approximately 13.2 percent of the total \$53,546,075 in projected funds for privately-owned housing development in San Francisco. These funds are dedicated for privately-owned housing development. None of these funds would be used by the San Francisco Housing Authority or for other public housing projects. The HOME Program funds of \$7,077,000, excluding the administrative costs for MOH, would be allocated by the MOH to private or non-profit developers for privately owned housing.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August, 1992 (File 68-92-4.1) and revised in February, 1994 (File 68-94-7). (These procedures outline broad criteria and a process to follow for allocating the HOME Program funds, such as how to notice the availability of housing funds to interested parties, how to evaluate the funding proposals, specific underwriting criteria, etc.). Projects which are eligible for HOME funding are as follows:

- 1. Projects, which are funded for capital construction or rehabilitation of housing units to be owned and managed by the applicant, must be occupied by households with incomes that do not exceed 60% of the median income as established by HUD.
- 2. First-time home ownership assistance must be provided only to low income persons with household incomes that do not exceed 80% of median income as established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed 1999 HOME allocation of \$7,077,000 or \$1,061,550 be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDOs). According to Mr. Joe LaTorre of MOH, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings, acquisition of sites and development of new housing and ownership and management of subsidized developments.

Budget:

The proposed \$7,077,000 in HOME Program funds for the one-year period of April 1, 1999, through March 31, 2000, would be expended as follows:

Item

Amount

Community Housing Development Organization (CHDO) Rehabilitation of an estimated 100 housing units:

Acquisition/Substantial Rehabilitation (requiring more than \$25,000 per unit) of housing units for low-income households.

\$2,860,517

Acquisition/Other Rehabilitation (requiring less than \$25,000 per unit) of housing units for low-income households.

1,500,000

#### Other Activities:

New Construction of Housing for low income households (these funds would be allotted to The Hamilton Family Center, a 70 bed housing Development for formerly homeless families.)

1,824,109

Tenant-Based Rental Assistance (Catholic Charities)

36,474

Item

Amount

## Administrative Expenses:

Mayor's Office of Housing Administrative Expenses

\$524,905

CHDO Administrative Expenses

150,000

Catholic Charities Administrative Expense

13,526

Other Administrative Expenses

167,469

Subtotal Administrative Expenses

855,900

Totals

\$7,077,000

Required Match:

\$1,769,250 (25 percent of the \$7,077,000 grant total).

**Indirect Costs:** 

Indirect costs of \$124,015 for General City purposes will be paid from CDBG funds for the HOME Program and the CDBG Program.

Comments:

- 1. According to Mr. LaTorre, the 25% matching fund requirement of \$1,769,250 is anticipated to be provided from Hotel Tax funds. In 1999, the MOH is anticipating receiving an estimated total of \$5 million in Hotel Tax funds, which was appropriated in the Fiscal Year 1998-99 budget to be used for the development of low-income housing for seniors and handicapped residents. Mr. LaTorre reports that \$1,769,250 of these Hotel Tax expenditures will be used as matching funds for the proposed HOME Investment Partnership Program grant.
- 2. HOME regulations limit expenditures for payment of administrative and planning costs of the HOME Program to an amount of HOME funds that is not more than ten percent of the fiscal year HOME basic formula allocation, except for the \$150,000 in CHDO administrative expenses. As noted in the Budget Section above, the proposed resolution would authorize administrative costs of \$855,900, including \$150,000 to be allocated in equal amounts of \$50,000 to the Chinese Community Housing Corporation, the Mission Housing Development

Total

Corporation, and the Tenderloin Neighborhood Development Corporation (the Community Housing Development Organizations). MOH is requesting a budget of \$705,900 (Mayor's Office of Housing Administrative Expenses of \$524,905 and Other Administrative Expenses of \$180,995), which is \$1,800 less than the maximum allowable amount of \$707,700, for administration of the HOME Program. The proposed \$855,900 for administrative expenses are as follows:

# HOME Administrative Budget

Mayor's Office of Housing Administrat	tion	
(See Attachment I)		\$524,905
Catholic Charities	\$13,526	
Other Administrative Expenses	167,469	180,995
Subtotal Administrative Expenses		\$705,900
Community Housing Development		
Corporation's Administrative Expens	ses	150.000

The MOH administrative budget of \$524,905 includes 4.9 positions for the MOH. Attachment I lists the positions and the salary amounts for each position.

\$855,900

The Other Administrative Expenses of \$167,469 are as follows:

City Attorney	\$ 47,469
Environmental Review Consultant	45,000
City Planning	25.000
Total	\$167,469

The proposed administrative budget of \$524,905 includes a .50 FTE 9774 Sr. Community Development Specialist. However, the MOH budgeted a full years salary of \$61,309 for this position instead of the \$30,862 which is required for the .50 FTE position. (The remaining .50 FTE salary funds for this position is budgeted in the Community Development Block Grant Program.) Accordingly the proposed HOME budget should be reduced as follows:

Salary	\$30,444
Fringe Benefits	6,698
Less Salary Savings	(1,857)
Add Negotiated Increase	1.486
Total Reduction	\$36,771

- 3. Section 1.C. of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of the Mayor's Office of Housing submit an Annual Report, due on March 31 of each year for the preceding calendar year, to the Board of Supervisors providing an accounting of all HOME program funds received by the City and how the funds were expended, including specific project information. According to Mr. LaTorre, the most recent Annual Report, for calendar year 1997, was submitted to the Board of Supervisors on March 30, 1998.
- 4. In accordance with procedures developed by the MOH and previously approved by the Board of Supervisors, loans to private developers may be interest bearing or interest free and loan principal to the private developers may be deferred. The terms under which interest and/or principal are paid by the developer are determined by the Mayor based on the financial feasibility of each project. According to Mr. LaTorre, the reason that the Mayor may decide not to charge interest to private developers or may decide to defer loan repayments due from private developers is that private developers may have agreed to establish very low rents in their privately-developed affordable housing, thereby resulting in the developers' inability to afford to make the total required interest and/or principal payments. The attached memorandum (Attachment II) from Mr. LaTorre explains how MOH will document financial information provided by private developers which could result in the Mayor deciding (a) not to charge interest to private developers, and/or (b) permitting private developers to defer their loan repayments to the City.

### Recommendations:

- 1. Reduce the proposed MOH Administrative budget by \$36,771 from \$524,905 to \$488,134 as shown in comment 2 above to increase the level of funding for other eligible HOME activities.
- 2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Pgm	Grant	Mat	ID	Line Item	Description	Sub-Object	Administration		
	MOHM98	21H		Class	Title	FTE			
	монм98	21H			Special Assistant X	3.10	S 151,552		
	монм98	21H			Special Assistant XIV	0.50			
	монм98	21H			Special Assistant XII	0.50			
	монм98	21H			Special Assistant Program Development	0.10			
	монм98	21H		1632	Senior Account Clerk	0.20			
	монм98	21H		9774	Sr Community Development Specialist	0.50			
	монм98	21H		Personnel	Labor Costs	4.90	S 297,451		
	монм98	21H	<u> </u>	Personnel	Labor Costs Fringes @ 22		S 65,439		
	монм98	21H		Personnel	Labor Costs Total		S 362,890		412184
	монм98	21H		Personel	Salary Savings @ 0.05		S (18,145)		-20609
		21H		Personel	Negotiated Increases @ 04		S 14,516		
			П						
	монм98	21H		Conferences & Travel	Conference Travel		S 5,000	s	5,000
	монм98	21H	Π	Drayage/Freight	File Safe	1	S 500	s	500
	МОНМ98	21H	1	Equipment	Lease Photocopier		S 5,000	S	5,000
	монм98	21H		Equipment	Maintenance & Repair		S 1,000	S	1,000
	монм98	21H		Equipment	Auto Fuel & Maintenance		\$ 1,000	S	1,000
	МОНМ98	21H		Legal & Display Advertising			\$ 1,000	S	1,000
	монм98	21H		Memberships			\$ 1,500	S	1,500
	монм98	21H		Postage			\$ 2,500	S	2,500
	монм98	21H		Printing			\$ 5,000	S	5,000
	МОНМ98	21 H		Rental Space	25 Van Ness Lease		\$ 70,644	\$	50,000
	MOHM98	21H		Supplies	Office Supplies		5,000	S	5,000
	MOHM98	21H	П	Telecommunications	Telephone Services		\$ 5,000	S	5,000
	MOHM98	21H	T	Training			\$ 2,500	S	2.500
	монм98	21H		TOTAL			\$ 464,905	S	476,575
	MOHM98	21H		Professional Services	Environmental Review		S 15,000	S	15,000
	монм98	21H		Professional Services	City Planning		\$ 10,000	S	10,000
	МОНМ98	21H		Professional Services	City Attorney		S 25,000	S	25,000
	монм98	21H		Professional Services	Real Estate			1	
	МОНМ98	21H		Professional Services	ADA				
	МОНМ98	21H	Τ	Professional Services	Other		S 10,000	S	10,000
								1	
	МОНМ98	21H		Total HOME			\$ 524,905	5	536,575

# **MEMORANDUM**

# MAYOR'S OFFICE OF HOUSING

January 25, 1999

TO:

Bill Courtright, Budget Analyst

FROM:

loe LaTorre

SUBJECT:

Determination of Eligibility for Repayment and/or Interest Deferral or

Forgiveness for HOME Program Loans

Per your request for additional information, please note that the <u>Criteria and Procedures for Allocating Home Program Funds</u> approved by the Board of Supervisors in January 1994 provide that "The Mayor shall determine the terms under which interest and/or principal shall be paid by Developer. ... For all HOME-assisted projects other than those funded under the RMF Program, deferred loans may be structured so as to require payment at the end of the Term, or to be forgiven, depending on the financial feasibility of the project. RMF loans may not be forgiven under any circumstances."

Financial feasibility is based on the proposed structure of rents and operating expenses of the development and upon the availability and requirements of other funding sources for the development. In most cases, MOH seeks to regulate rents at as low a level as possible, which precludes the possibility of payment of debt service (whether principal or interest). In addition, restricted rents limit the market value of the property, meaning funds might not be available at the end of the loan Term to repay the loan.

Documentation of the proposed rent structure, operating budget, and sources and uses of development funds is provided to MOH by the Developer in its application for funds. These budgets are reviewed by MOH staff and evaluated in staff analysis provided to the Housing Development Loan Committee established by the <u>Criteria and Procedures</u>. Staff will recommend a proposed structure for interest and principal repayment to the Committee and, if approved, to the Mayor at the time the development is approved.

Upon completion of the development, the Developer is monitored annually regarding its rents and operating budget to ensure that the rents are within the regulated amount and that the property is being maintained in accordance with program requirements. The results of this monitoring is included in MOH's Annual Performance Report to HUD for the HOME and other federal programs.

#### Item 4 - File 99-0091

Department:

Department of Public Works (DPW) Recreation and Park Department (RPD)

Item:

Ordinance transferring jurisdiction over certain real property located at Drumm Street between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface rights thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

Description:

The proposed ordinance would transfer jurisdiction over certain real property from DPW to RPD excluding the subsurface rights to a portion of the property. According to Mr. Joel Robinson of RPD, approval of this ordinance would preserve the property for use as open space subject to the possible construction of an underground parking facility on this property. The construction of an underground parking facility would require separate approval by the Board of Supervisors.

On July 18, 1994, the City acquired from the State certain real property comprised of Assessor's Block 202, Lots 6, 14 and portion of 15, and a portion of Assessor's Block 203, Lot 14 (collectively, the "Property"). The Property is located immediately northwest of Justin Herman Plaza, between the Embarcadero to the west and Davis Street to the east, and between Washington Street to the north and Clay Street to the south, as shown on the attached map. The Property is currently held under the jurisdiction of the Department of Public Works. The Recreation and Park Commission has jurisdiction over adjoining property, Assessor's Block 202, Lot 18 (Lot 18). The subject Property and the adjoining property are used as open space.

The proposed ordinance would subject the Property and the adjoining Lot 18 to the restriction that no building, improvement or structure may be constructed on the

surfaces of the Property and Lot 18, provided that the following improvements would not be prohibited: (a) landscape improvements such as pedestrian pathways, gazebos, tables, benches lighting fixtures, trash receptacles, automatic public toilets, bicycle racks and drinking fountains, and (b) improvements necessary to the functioning of a potential underground parking facility if such improvements cannot be constructed underground.

Jurisdiction over portions of the Property's subsurface, specifically Assessor's Block 202, Lots 6, 14, and a portion of 15, is to be retained by DPW because on September 18, 1996, the Board of Supervisors preliminarily endorsed construction of an underground public parking facility with a capacity for up to 350 vehicles on this Property (File No. 47-96-8). This endorsement by the Board of Supervisors was subject to the condition that construction of an underground parking facility would not commence until the City executed a contract with a developer for a major renovation of the Ferry Building, located approximately 500 feet to the east of the Subject Property, across the Embarcadero, with the understanding, according to Mr. Alec Bash of the Port, that any such parking facility would serve the public needs associated with a renovated Ferry Building. According to the proposed ordinance, the Port is currently negotiating with a developer. William Wilson and Associates, for the renovation of the Ferry Building.

On November 4, 1996, the Board of Supervisors approved the Final Environmental Impact Report for the Alternatives to Replacement of the Embarcadero Freeway and the Terminal Separator Structure, which set forth several surface traffic improvements, including the widening of Washington and Clay Streets between Davis and Drumm Streets, which would consist of certain improvements to a portion of Block 203, Lot 14 (File No. 271-96-3). The proposed ordinance states that to "widen Washington and Clay Streets, the property line for Assessor's block 203, Lot 14 would be shifted approximately 17.40 feet to the south on the Washington Street frontage and approximately 17.61 feet to the north on the Clay Street frontage and two portions of Assessor's

Block 203 (collectively the "Reserved Street Widening Parcels), will thereby be a part of the widened Washington and Clay Streets."

Ms. Mariam Morley of the City Attorney's Office states that these Reserved Street Widening Parcels do not consist of that portion of Block 203, Lot 14 included in the Property proposed to be transferred from the jurisdiction of DPW to the jurisdiction of RPD. However, this proposed ordinance states "In the event that Washington and Clay streets are not widened within five years after the effective date of this Ordinance, the Director of Property shall recommend to the Board of Supervisors that, subject to the California Environmental Quality Act and other applicable laws, the jurisdiction of the Reserved Street Widening Parcels be transferred to the Recreation and Park Commission" and that the property comprising the Reserved Street Widening Parcels be subjected to the same development limitations as the subject Property. Therefore, according to Ms. Morley, the Reserved Street Widening Parcels, as land adjoining the subject Property described above, would serve as preserved open space in combination with the Property.

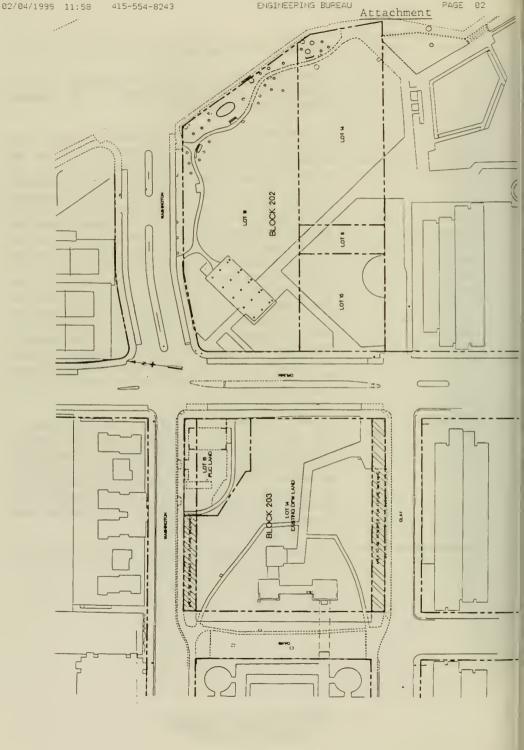
Comment:

As previously noted, the Property is currently used as open space. Mr. Robinson stated that RPD already provides gardeners to maintain the Property, excluding the portion of Assessor's Block 203, Lot 14, which is maintained by DPW. Mr. Robinson advises that RPD is not planning any improvements to the Property and therefore, Mr. Robinson anticipates no fiscal impact from the proposed jurisdictional transfer.

Recommendation:

1

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 5 - File 98-2131

Department:

Parking and Traffic Commission Recreation and Parks Commission

Item:

In connection with the financing of improvements to the Union Square Public Parking Garage ("Union Square Garage"), and in connection with improvements to Union Square Park, the proposed ordinance would:

- (1) approve and authorize the execution and delivery of a lease of the Union Square Public Parking Garage ("Union Square Garage Lease");
- (2) approve the issuance of parking revenue bonds ("1999 Parking Revenue Bonds") by the City of San Francisco Uptown Parking Corporation ("Uptown Corporation");
- (3) approve and authorize an amendment to the Sutter-Stockton Garage Lease between the City and Uptown Corporation ("Sutter-Stockton Garage Lease");
- (4) approve and authorize an amendment to the 1993 Payment Agreement between the City, Uptown Corporation, and the Downtown Corporation ("1993 Payment Agreement");
- (5) approve and authorize a Supplemental Park Maintenance Agreement between the City and Uptown Corporation; and
- (6) approve construction of Union Square Park improvements pursuant to Section 4.113(1) of the Charter concerning the improvements to Union Square Park

Overview:

Union Square Garage and Union Square Park

Currently the Union Square Garage is operated by City Park under a monthly lease with the City, acting by and through the Department of Parking and Traffic (DPT). Parking revenues generated from the operation of the Union Square Garage are General Fund revenues that flow directly to the Recreation and Park Department.

Union Square Park is maintained by the City, acting by and through the Recreation and Park Department.

Sutter-Stockton Garage and Uptown Corporation

Uptown Corporation is a non-profit organization created for the purpose of financing the construction of the Sutter-Stockton Public Parking Garage ("Sutter-Stockton Garage"), located at Sutter and Stockton Streets. Both Uptown Corporation and the City are parties to the existing Sutter-Stockton Garage Lease, which was entered into on May 5, 1959.

5th and Mission Garage and Downtown Corporation

The Sutter-Stockton Garage is separate and distinct from the 5<sup>th</sup> and Mission Street Public Parking Garage ("5<sup>th</sup> and Mission Garage"), which was constructed in 1965 using Parking Revenue Bonds issued by the City of San Francisco Downtown Parking Corporation ("Downtown Corporation"), another non-profit corporation, created for the purpose of financing the construction of the 5<sup>th</sup> and Mission Garage.

Additional Financial Security for 5th and Mission Garage

In 1993, Downtown Corporation needed additional financial security to issue \$15,800,000 in parking revenue bonds ("Downtown Bonds") for improvements to 5<sup>th</sup> and Mission Garage. The term "security" refers to features of a bond issuance, such as bond insurance or pledged revenues, which enhance the bond's credit worthiness.

In order to obtain additional security for the Downtown Bonds, the 1993 Payment Agreement was entered into between Uptown Corporation, Downtown Corporation, and the City. Under the 1993 Payment Agreement, Uptown Corporation pledged all of Sutter-Stockton's net parking revenues (net revenues after payment of operating costs, parking taxes, and related expenses) as additional security for the debt service of the Downtown Bonds, in the event that 5th and Mission Garage parking revenues proved to be insufficient for the payment of the debt service of the Downtown Bonds used to finance improvements to the 5th and Mission Garage.

Downtown Corporation has met the debt service requirements of the Downtown Bonds through its annual net

parking revenues. Therefore, no annual net parking revenues from Sutter-Stockton Garage have been expended for the debt service of the Downtown Bonds since 1993.

### Components of the Proposed Ordinance

- 1. Under the proposed ordinance, Uptown Corporation and the City would enter into the Union Square Garage Lease, which would provide for the proposed improvements of the Union Square Garage and the Union Square Park.
- 2. Under the proposed ordinance, Uptown Corporation would issue the 1999 Parking Revenue Bonds for the improvements of the Union Square Garage and Union Square Park.

Contributions to the debt service of the proposed 1999 Parking Revenue Bonds would be made by the Recreation and Park Department through a reduction in the General Fund revenue received from the Union Square Garage by the Recreation and Park Department.

Contributions to the debt service of the proposed 1999 Parking Revenue Bonds would also be made by Uptown Corporation, requiring the proposed amendments to two existing agreements, namely the Sutter-Stockton Garage Lease and the 1993 Payment Agreement.

- 3. Uptown Corporation's contribution to the debt service of the proposed 1999 Parking Revenue Bonds for Union Square Garage and Union Square Park improvements would be made from surplus parking revenues from the Sutter-Stockton Garage. According to Mr. Michael Cohen of the City Attorney's Office, because this source of revenue would be needed for the life of the debt service of the proposed 1999 Parking Revenue Bonds, the existing Sutter-Stockton Garage Lease between the City and Uptown Corporation must be extended.
- 4. Uptown Corporation's contribution to the debt service of the proposed 1999 Parking Revenue Bonds for Union Square Garage and Union Square Park improvements would also require amending the 1993 Payment Agreement.

- 5. Also under the proposed ordinance, the City and Uptown Corporation would enter into a Maintenance Agreement for Uptown Corporation to provide supplemental park maintenance of the Union Square Park. The estimated annual park maintenance cost is \$150,000 per year, escalating annually by 3 percent, in addition to the maintenance services that are currently provided by the Recreation and Park Department. According to Mr. Richard Hillis, Special Assistant to the Mayor, these services would be provided at the discretion of the Recreation and Park Commission. This cost would be paid from the reduction in parking revenue collected from the Union Square Garage to the Recreation and Park Department's General Fund budget.
- 6. The proposed ordinance further seeks approval from the Board of Supervisors for the proposed improvements on the Union Square Park, pursuant to Charter Section 4.113(1).

### **Detailed Description:**

Lessor of Proposed Union Square

Garage Lease:

City of San Francisco, acting by and through the Department of Parking and Traffic (DPT).

Lessee of Proposed Union Square

Garage Lease:

City of San Francisco Uptown Parking Corporation ("Uptown Corporation"), a non-profit public benefit corporation.

Location:

The Union Square Garage is an underground, four-story building bordered by Geary Street, Powell Street, Post Street, and Stockton Street, beneath the Union Square Park.

Square Footage and Capacity of Union Square Garage:

The Union Square Garage contains 424,000 square feet and has a capacity for 1,030 vehicles.

Square Footage of Union Square

Park:

The Union Square Park consists of 113,440 square feet of above-ground land.

Term of Proposed Union Square Garage Lease:

The existing operating agreement of the Union Square Garage is a month-to-month agreement between City Park, a parking operator, and the City, acting by and through the DPT. Thus, this agreement could be terminated within a month's notice.

The proposed term of the Union Square Garage Lease is the earlier of 50 years or the date on which the proposed 1999 Parking Revenue Bonds are fully redeemed over the proposed 25-year term of the bonds, commencing in February, 1999 and terminating in February, 2024.

Annual Rental Rate Payable to City by Union Square Garage Operator:

### Under Current Agreement

Under the current agreement of the Union Square Garage, City Park as parking operator pays the Recreation and Park Department 79.746 percent of net parking revenues (after payment of Parking Taxes) collected from the operation of the Union Square Garage.

For FY 1998-1999, the estimated revenues from City Park to the Recreation and Park Department (net revenue after payment of operating costs, Parking Taxes, and related expenses) are \$3,508,732, based on 79.746 percent of net parking revenues (after payment of Parking Taxes) of \$4,678,732. These revenues are used as a source of funds in the FY 1998-1999 Recreation and Park Department General Fund budget. In addition, the City is expected to collect \$1,027,039 in Parking Taxes, based on 25 percent of parking charges. Estimated parking receipts to the Union Square Garage in FY 1998-1999 are \$5,705,771, which include parking charges plus 25 percent Parking Tax. (Parking revenue received from hotel guests is exempt from Parking Taxes).

<u>Under Proposed Union Square Garage Lease</u>

Under the proposed Union Square Garage Lease, Uptown

> Corporation would issue a Request for Proposals (RFP) for the management of the Union Square Garage.

> The Parking Authority estimates that the annual net parking revenue from the operation of the Union Square Garage would be approximately \$4,066,611 per year in FY 2000-2001 (net revenue after payment of operating costs, Parking Taxes, and related expenses) when the proposed improvements are completed, an increase of over \$577,879 annually over FY 1998-1999. The City is also expected to collect Parking Taxes, estimated at \$1,113,526 in FY 2000-2001, an increase of \$86,487 annually over FY 1998-1999.

Annual Maintenance Costs of the Union Square Park:

Currently, the Union Square Park is maintained by the Recreation and Park Department through both gardening and custodial services. For FY 1998-1999, the Recreation and Park Department's expenditures for the maintenance of Union Square Park is estimated to be \$125,000.

Proposed Improvements to Union Square Garage and Union Square Park:

Mr. John Barber of the Parking Authority reports that the Union Square Garage, built in 1941, would require improvements that involve the construction of new elevators, stairs, fire exits, and restrooms, and installing improved ventilation and new lighting. Mr. Barber states that the proposed improvements would bring the Union Square Garage in compliance with existing building codes and with American Disabilities Act (ADA) requirements. None of the proposed improvement to the Union Square Garage are "seismic retrofitting" improvements.

Mr. Don Alameida of the Department of Public Works (DPW) and Mr. Ernie Prindle of the Recreation and Park Department report that improvements to the Union Square Park would involve the following:

- Flattening the ground surface of the Union Square Park;
- Building two new structures (totaling 2,500 square feet) that would serve as a café with separate indoor seating, restroom facilities, and ticket booth and building an open stage area (totaling 2,800 square feet); and
- Replacing the surface with new landscaping and new hard-surface plaza areas for outdoor seating, garden terraces, lawn terraces, and a central water feature by the existing Dewey Memorial statue.

Mr. Prindle notes that the Recreation and Park Department intends to provide more services to the citizens of San Francisco and to receive additional concessionaire revenues through such concessions as a café operation and additional permit fees, estimated at approximately \$50,000 per year.

Mr. Cohen notes that two-thirds Board of Supervisors approval is needed in order for the proposed improvements to Union Square Park, pursuant to Charter Section 4.113 (1). Section 4.113(1) of the Charter states: "No building or structure except for nurseries, equipment and storage facilities and comfort stations shall be erected, enlarged or expanded in Golden Gate Park or Union Square Park unless such action has been approved by a vote of two-thirds of the Board of Supervisors."

Attachment I provided by Ms. Julia Dawson of the Department of Parking and Traffic (DPT), contains the estimated costs for the proposed improvements to the Union Square Garage. As shown in Attachment I, the total estimated Union Square Garage improvement costs are \$9,150,000. Attachment I also contains the estimated costs for the proposed improvements to the Union Square Park. As shown in Attachment I, the total estimated Union Square Park improvement costs are \$9,850,000.

Total projected costs associated with the proposed improvements to the Union Square Garage and the Union Square Park are therefore \$19,000,000.

Financing of
Proposed
Improvements to
Union Square
Garage and
Union Square Park:

<u>Proposed Issuance of</u> 1999 Parking Revenue Bonds

Under the proposed ordinance, Uptown Corporation would issue a maximum of \$19,000,000 in City of San Francisco Uptown Parking Corporation Parking Revenue Bonds (the "1999 Parking Revenue Bonds") in order to finance the proposed improvements to the Union Square Garage and to the Union Square Park.

<u>Proposed Sources of Repayment</u> for 1999 Parking Revenue Bonds

Mr. Hillis and Ms. Dawson state that the debt service for the proposed 1999 Parking Revenue Bonds, which would be \$1,305,000 per year for 25 years, would be paid from a combination of funds from (a) the Recreation and Park Department and (b) Uptown Corporation as follows:

(a) The contribution from the Recreation and Park Department would be approximately \$17,608 for the first year and between \$305,650 to \$805,650 per year for subsequent years through a reduction to its General Fund Revenue from Union Square Garage operations. According to Mr. Hillis, this reduction would be offset by increased parking garage revenues, increased park revenues, and decreased garage operating expenses.

Attachment II contains the schedule of annual reductions in net parking revenues to the Recreation and Park Department for the next seven years, beginning FY 1998-1999, as a result of the annual contribution by the Recreation and Park Department to the debt service of the proposed 1999 Parking Revenue Bonds.

(b) Uptown Corporation's contribution to the debt service of the proposed 1999 Parking Revenue Bonds is shown in Attachment III, a memo from the Mayor's Office, which contains the proposed schedule of annual payments from FY

1998-1999 through the termination of the proposed lease. Uptown Corporation's contribution would consist of \$200,000 for the first year; \$1,000,000 for the second year; and between \$500,000 and \$700,000 per year in subsequent years of the debt service.

The source of Uptown Corporation's debt service contribution would be the Surplus Revenue Fund of Uptown Corporation or, specifically, the Capital Improvements Account, which receives 15 percent of Sutter-Stockton Garage revenues. The current balance of the Capital Improvements Account as of November, 1998 is \$960,000. Uptown Corporation's contribution to the debt service of the proposed 1999 Parking Revenue Bonds would require amending two existing agreements as explained below.

Proposed Amendments to Existing Agreements:

According to Mr. Barber and Mr. Cohen, financing the proposed improvements to the Union Square Garage and the Union Square Park would require amending two existing agreements, namely the 1993 Payment Agreement and the Sutter-Stockton Garage Lease.

As previously noted, the 1993 Payment Agreement is an existing agreement between Uptown Corporation, Downtown Corporation, and the City through which Uptown Corporation pledged all annual net parking revenues collected from the operation of the Sutter-Stockton Garage as additional security for the Downtown Bonds for improvements to the  $5^{\rm th}$  and Mission Garage.

Proposed Amendment to the 1993 Payment Agreement

The proposed Amendment to the 1993 Payment Agreement would accomplish two things: (a) permit the transfer all the surplus revenues from net parking revenues of the Sutter-Stockton Garage, that were not otherwise used to fulfill the 1993 pledge to the debt service of the Downtown Bonds for improvements to the 5th and Mission Garage, to Uptown

Corporation's 1999 Revenue Fund for application to the debt service of the proposed 1999 Parking Revenue Bonds associated with the improvements of the Union Square Garage and the Union Square Park. Thereafter, Sutter-Stockton Garage's net parking revenues of an estimated \$677,508 for FY 1998-1999 would instead be used by Uptown Corporation to make contributions toward the debt service of the \$1,305,000 per year for the proposed 1999 Parking Revenue Bonds related to the financing of the Union Square Garage and Union Square Park.

The proposed Amendment to the 1993 Payment Agreement would also (b) pledge all of the annual net parking revenue collected from the operation of the Sutter-Stockton Garage as additional security for the repayment of the proposed 1999 Parking Revenue Bonds related to the proposed improvements to the Union Square Garage and the Union Square Park.

<u>Proposed Extension of the Term</u> of the Sutter-Stockton Lease

The proposed Amendment to the Sutter-Stockton Garage Lease would extend the Sutter-Stockton Garage Lease from May 5, 2023 to the earlier of either May 5, 2035 or the date both the proposed 1999 Parking Revenue Bonds (used to fund the proposed improvements to the Union Square Garage and Union Square Park) and the Downtown Bonds (related to the improvements to the 5th and Mission Garage) have been paid in full.

Proposed Additional Park Maintenance By Uptown Corporation:

Under the proposed Supplemental Maintenance Agreement, Uptown Corporation would provide park maintenance services for the City in addition to those which the Recreation and Park Department already provides for the Union Square Park. The proposed term of the Supplement Maintenance Agreement is 5 years, with three 5-year options available to both the City and Uptown Corporation.

These additional park maintenance services comprise primarily custodial services, and would be paid for from the annual net parking revenues generated from the operation of the Union Square Garage.

As Attachment II shows, the cost of these additional park maintenance services, estimated to be \$75,000 for FY 2000-2001 and \$150,000 per year starting in FY 2001-2002, and escalating by 3 percent annually thereafter, is in addition to the proposed debt service contribution that the Recreation and Park Department would make to the debt service of the proposed 1999 Parking Revenue Bonds.

#### Comments:

### 1. Issuance of the 1999 Parking Revenue Bonds

According to Ms. Dawson, the estimated interest rate of the repayment of the proposed 1999 Parking Revenue Bonds would be approximately 5.5%, and the rating is expected to be "A." The term of the debt service would be 25 years at \$1,305,000 million per year. By the end of the proposed debt service, the total amount of repayment would be \$32,625,000, based on \$1,305,000 per year times 25 years, \$19,000,000 of which would have been paid toward principal and \$13,625,000 of which would have been paid toward interest.

According to Ms. Dawson, the costs of the issuance of the proposed 1999 Parking Revenue Bonds would be \$375,000.

# 2. Sutter-Stockton Garage's Capital Needs

According to Mr. Hillis, the Sutter-Stockton Garage does not need any significant capital improvements in FY 1999-2000 that would require using the Capital Improvements Account of the Surplus Revenue Fund of Uptown Corporation. Mr. Hillis notes that the expected annual surplus revenue to be collected from the operation of the Sutter-Stockton Garage is \$677,508 in FY 1998-1999. Mr. Hillis estimates that Sutter-Stockton Garage will require \$250,000 for capital improvements annually beginning FY 2000-2001.

### 3. Management of Union Square Garage

According to Ms. Dawson, if the proposed Union Square Garage Lease is approved, the Parking and Traffic Commission would authorize the Uptown Parking Corporation to issue an RFP in order to select the most qualified proposal and to award a professional parking services agreement. Uptown Corporation would then present its selection to the Parking Authority for approval. This award of the contract would also be subject to approval by the Board of Supervisors.

### 4. No Seismic Improvements

The proposed ordinance states that the Union Square Garage would undergo "seismic retrofit improvements." However, the Budget Analyst's Office has found that no seismic retrofitting improvements will be made, and Mr. Cohen and Ms. Dawson concur with this finding. The proposed ordinance should therefore be amended to delete reference to seismic improvements.

Mr. Cohen has stated that additional amendments to the proposed ordinance will be submitted directly to the Finance and Labor Committee.

# Summary: Components of the Proposed Ordinance

The purpose of this ordinance is to arrange the financing for improvements to the Union Square Garage and the Union Square Park, estimated to cost a total of \$19,000,000.

The proposed ordinance would approve the Union Square Garage Lease between the City and Uptown Corporation, which would issue \$19,000,000 in 1999 Parking Revenue Bonds for proposed improvements to both the Union Square Garage and the Union Square Park. Uptown Corporation is a non-profit organization created for the purpose of financing the construction of the Sutter-Stockton Public Parking Garage ("Sutter-Stockton Garage"). The proposed ordinance would also approve the Supplemental Park Maintenance Agreement between the City and Uptown Corporation, which would provide additional park maintenance to supplement the maintenance services of the

Recreation and Park Department at Union Square Park, at the request of the Recreation and Park Commission. The proposed ordinance would further approve the improvements to Union Square Park as required under Charter Section 4.113(1).

In order to finance the proposed improvements, amendments are proposed to two existing agreements. First, the Sutter-Stockton Garage Lease would be extended in order to provide the underlying stream of revenue for the life of the debt service of the proposed 1999 Parking Revenue Bonds, as well as to continue providing additional financial security for the debt service of the Downtown Bonds issued in 1993 for the 5th and Mission Garage improvements. The Downtown Bonds were issued by the Downtown Corporation, which is another non-profit corporation that was created for the purpose of financing the construction of the 5th and Mission Garage. Second, the 1993 Payment Agreement between the City, Uptown Corporation and Downtown Corporation would be amended in order to permit the transfer of a portion of the surplus funds from the Sutter-Stockton Garage that were previously pledged but not used for improvements to the 5th and Mission Garage.

The 1993 Payment Agreement would be amended in order to pledge all of Sutter-Stockton Garage's net parking revenues for the debt service, and to enhance the financial security of, the proposed 1999 Parking Revenue Bonds.

## Fiscal Impacts of the Proposed Ordinance

As a result of the proposed ordinance, the Recreation and Park Department's contribution to the debt service of the 1999 Parking Revenue Bonds would be approximately \$17,608 for the first year and between \$305,650 to \$805,650 per year for subsequent years through a reduction to its General Fund Revenue from Union Square Garage operations. This reduction is expected to be offset by increased parking garage revenues, increased park revenues, and decreased garage operating expenses. Approximately \$150,000 per year from the Recreation and Park Department's contribution, escalated by 3 percent annually, would pay for supplemental park maintenance services provided by Uptown Corporation for the Union Square Park.

Uptown Corporation's contribution to the debt service of the 1999 Parking Revenue Bonds would be made from net parking revenues from the Sutter-Stockton Garage, and would consist of \$200,000 for the first year; \$1,000,000 for the second year; and between \$500,000 and \$700,000 per year in subsequent years of the debt service.

The cost of the additional park maintenance services to be provided by Uptown Corporation under the Supplemental Park Maintenance Agreement is estimated to be \$75,000 for FY 2000-2001 and \$150,000 per year starting in FY 2001-2002, and escalating by 3 percent annually.

No monies allocated to MUNI from parking garage revenues would be affected by this ordinance.

#### Recommendation:

Amend the proposed ordinance to reflect the fact that the proposed improvements to the Union Square Garage would not involve "seismic retrofit improvements."

Approval of the proposed ordinance, as amended, is a policy matter for the Board.

### Attachment I

Source: Don Alameida

Department of Public

#### Works

# Summary of Cost for Improvements to Union Square

#### PER CIAC MEETING

# Garage improvements

\$1,500,000	A DEMOLITION (Garage)	A
\$4,300,000	B INTERIOR GARAGE IMPROVEMENTS	В
\$5,800,000	CONSTRUCTION ITEMS SUB-TOTAL	
\$300,000	General Contractor General Conditions	
\$700,000	Construction Contingency	
\$6,300,000	SUB-TOTAL	
\$600,000	Permits, fees and Haz Mat Mont.	
\$200,000	Inflation	
\$7,600,000	GARAGE CONSTRUCTION TOTAL	
	GARAGE PROJECT COSTS	
\$875,000	DESIGN FEES	
\$675,000	80ND FINANCING	
\$9,150,000	GARAGE PROJECT TOTAL	

# Plaza Improvements

С	DEMOLITIONS (Plaza)	\$400,000
D	PLAZA LEVEL IMPROVEMENTS	\$5,500,000
ε	ROOF TOP ARCHITECTURE - PHASED	\$700,000
	CONSTRUCTION ITEMS SUB-TOTAL	\$6,600,000
	General Contractor General Conditions	\$200,000
	Construction Contingency	800,000
	SUB-TOTAL	7,500,000
	Permits, fees and Haz Mat Mont	400,000
	Inflation	400,000
	CONSTRUCTION TOTAL	8,400,000
	PLAZA PROJECT COSTS  DESIGN FEES	\$625,000
	BOND FINANCING	\$825,000
	-	
	PLAZA PROJECT TOTAL	\$9,850,000

Total Project \$19,000,000

UNION SQUARE GARAGE/PARK RENOVATION -- FINANCIAL PROJECTIONS \$19 MILLION MAXIMUM BOND ISSUANCE

Source: Julia Dawson Department of Parking and Traffic

3.70,000) (1,370,000) (64,350 (1,305,650) (1,305,650) (1,305,650) (1,468,835 (1,902,122) (1,902,132) (163,909) (163,909) (163,909) (163,909) (163,909) (163,909)		,127,850 4,251,685 (805,650) (805,650) 322,200 3,446,035	(55,879) 1,322,200 (55,879) 123,835 133,835 93,690 82,095	760,557 (250,000) 510,557 592,652	(500,000) (905) (92,652) (91,652)
	(000,076,1) (000,076,1) 06,130 06,130 (080,200,1) (080,200,1)	6,373,237 6,468,835 (1,147,183) (1,144,390) (98,825) (1,017,460) (159,135) (159,135) (159,135) (705,650) (805,650) 3,378,079 3,322,200	3,334,118 3,378,079 43,961 (55,879) 216,197 93,690	727,493 738,405 (250,000) 477,493 488,405 693,690 582,095	93,690 (500,000)
	(1,370,000) 64,350 (1,305,650)	6,279,051 (1,130,229) (959,024) (150,000) 4,039,788 (705,650) 3,334,118	3,460,961 (126,843)	716,741 (250,000) 466,741 816,197	(600,000)
	(1,370,000) 64,350 (1,305,650)	6,186,257 (1,113,526) (931,120) (75,000) 4,066,611 (605,650) 3,460,961	3,557,732 (96,772) (95,772) (991,307	706,149 (250,000) 456,149 1,049,456	349,456
	(1,370,000) 64,350 (1,305,650)	5,813,881 (1,046,499) (904,000) 3,863,382 (305,650) 3,557,732	5,491,124 66,609 10N 10N 907,725	685,582 - 685,582 1,593,307	593,307
19,000,000 (1,287,000) (375,000) (133,000) 17,205,000	(228,333)	5,705,771 (1,027,039) (1,170,000) 3,508,732 (17,608) 3,491,124	3,569,900 (78,776) (78,776)	337,725 (210,000) (210,000) 127,725 1,107,725	(200,000)
Total Bould Banance Less: Debt Service Reserve Fund Cost of Issuance Underwriter's Discount Net Proceeds for Construction	Debt Service Interest on Reserve Fund Net Debt Service	Garge Revenues Garge Revenues Less Parking Taxes Less Operationg Costs Less Park Maintenance Costs Net Garage Revenues Less Annual Debt Service Net Garage Revenues to Ree/Park	Prior Year Revenues Difference (78,776) III. SUITTER STOCKTON DEBT SERVICE CONTRIBUTION Reginning Cap Acet Balance 980,000	Annual New Revenues Annual Cap Expenditures Net Increase (Decrease) Subtoral	Supp Payment for Debt Service Ending Capital Account Balance Notes

1. Interest rate on the Reserve Fund is 5%.

5. Garage revenues projected to increase by 2.5% each year

<sup>2.</sup> FY 1998.99 shows 10% less revenue for 4 months because of the timing of construction

<sup>1.</sup> I'Y 1999 00 reflects 10% less revenues for 6 months because of construction 3, FY 1998-99 has lower net revenues because of elevator renovation

Attachment III Page 1 of 3

OFFICE OF THE MAYOR SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

# UNION SQUARE RENOVATION PROJECT SUMMARY

## Background:

In July 1997, the City, SPUR, and San Francisco Beautiful sponsored a competition to redesign Union Square park. The goal of the competition was to transform Union Square park into a more inviting, usable and accessible public open space that will accommodate a variety of social and cultural activities.

Over 300 participants submitted designs, and all were reviewed by a design jury consisting of Gerald Green, Director of the Department of City Planning; David Kelly, Industrial Designer; Thom Mayne, Architect; Sheila Levrant de Bretteville, Professor of Art, Yale University; Achva Benzinberg Stein, Landscape Architect; Aaron Betsky, Curator of Architecture, San Francisco Museum of Modern Art; and Louis Meunier, Executive Vice President, Macy's.

The jury selected five finalists, which were subsequently reviewed by a panel of representatives from City Departments, including the Planning Department, Department of Public Works, and the Department of Parking and Traffic, and representatives from community organizations, including the Union Square Association. The panel selected the design by April Philips and Michael Fotheringham.

For the past year, the Union Square Renovation Advisory Committee, consisting of representatives from City Departments and community groups, has been acting as a steering committee for design development and implementation (see attached list of members of the Union Square Renovation Advisory Committee).

#### Transaction Structure:

The transaction documents submitted to the Board of Supervisors would enable Uptown Parking Corporation (Uptown), a non-profit garage corporation which has managed Sutter-Stockton garage for almost 40 years, to issue bonds to finance the renovations. Under the proposed transaction, Uptown would lease and operate the garage, as well as provide supplemental maintenance services to the park.

401 VAN NESS AVENUE, ROOM 338, SAN FRANCISCO, CALIFORNIA 94102 (415) \$54-6141 RECYCLED PAPER

Attachment III Page 2 of 3

The proposed transaction consists of the following four components:

- 1. The City, through its Department of Parking and Traffic, will lease the Union Square garage to Uptown, which they will improve and operate. The leasehold interest will allow Uptown to issue bonds, not to exceed \$19 million, to finance the proposed improvements to the garage and park. The DPT Commission will retain approval authority over garage rates, the annual garage capital and operating budgets, selection of the garage operator, and the final construction budget and proposed improvements to the garage. The lease term is the shorter of 50 years or the term of the bonds (expected to be 25 years). Net revenues from garage operations will continue to flow to the Recreation and Parks Department.
- 2. The City, through its Recreation and Parks Department, will enter into a supplemental maintenance agreement with Uptown for Union Square park, portions of which are modeled after the agreement between the Redevelopment Agency and KTB Realty for maintenance of Yerba Buena Gardens. The City has requested this agreement to guarantee that the park improvements are maintained in a first-class condition, as well as to increase utilization of the park. Under the agreement, Uptown will provide additional services to the park (i.e. janitorial, gardening, and event coordination) beyond those that Rec/Park currently provides; however, Rec/Park would maintain its current staffing levels in the park. The Recreation and Parks Commission has approval authority over Uptown's annual park budget, Uptown's annual park work plan, conceptual and final design for the park improvements, and the final construction budget. The proposed lease term is 5 years with three 5 year options at both the City's and Uptown's option.
- 3. The City and Uptown will enter into a payment agreement that will require Uptown to make annual contributions from its Sutter Stockton capital reserve account to partially finance the debt service on the Union Square bonds.
- 4. The City will extend its current lease with Uptown for the Sutter Stockton Garage. In order to enter into the payment agreement, it is necessary to extend the term of the Sutter Stockton lease until the date when the Union Square bond are re-paid.

# Financing:

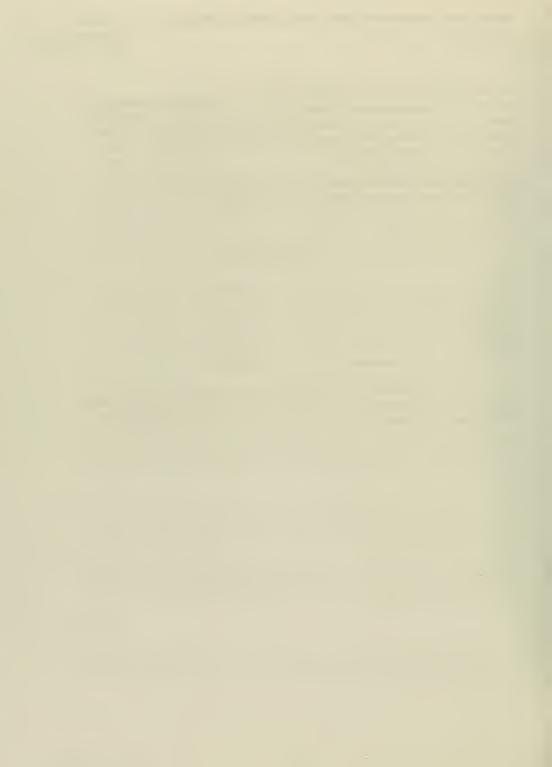
The Department of Public Works has estimated that the total cost of implementing the selected design, as well as concurrent rehabilitation of the Union Square garage, is

\$19 million (see attachment). Total debt service for a \$19 million bond issuance is estimated at \$1.3 million per year. The impact to Rec/Park's budget is significantly offset from contributions from Uptown's Sutter Stockton garage, reduced Union Square garage operating costs, and anticipated increases in Union Square garage revenues (see attached spreadsheet).

As specified in the Payment Agreement, the annual payments from Uptown to the City for the Union Square bond debt service is as follows:

FISCAL YEAR	DEBI SERVICE
	CONTRIBUTION
FY 98-99	\$200,000
FY 99-00	\$1,000,000
FY 00-01	\$700,000
FY 01-02	\$600,000
FY 02-03	\$600,000
FY 03-04 Thru Lease Termination	\$500,000

In any given year, Uptown shall reduce their debt service contribution by the amount that Recreation and Park revenues from the use of Union Square Park exceed \$100,000 in any such year.



### Item 6 - File 99-0155

Department:

Mayor's Office of Public Finance

Item:

Amount:

Resolution declaring a surplus in the Project Improvement Fund for the Bayshore Hester Assessment District and directing the disbursement of this surplus.

\$30,000

Subject Property:

The Bayshore Hester Assessment District includes a two-acre housing subdivision consisting of 48 single-family housing units adjacent to U.S. Highway 101 to the east, Geneva Avenue to the south, John McClaren Park to the west and Mansell Street to the north.

Source of Funds:

The Project Improvement Fund and the Debt Service Reserve Fund of the Bayshore Hester Assessment District. The Project Improvement Fund contains a portion of the proceeds from the sale of the Bayshore Hester Assessment District Limited Obligation Improvement Bonds and is specifically used for the acquisition of the public improvements in the District. The Debt Service Reserve Fund contains a fixed amount of funds to be used in the event other monies dedicated to pay debt service on the bonds are insufficient. The Project Improvement and the Debt Service Reserve Funds have a current combined surplus balance of \$35,297, according to Ms. Laura Opsahl of the Mayor's Office of Public Finance.

Description:

Bayside Bayshore Hester Development and Bayshore Hester Associates were the original property owners and developers of the two-acre housing subdivision. The Board of Supervisors approved the creation of a Bayshore Hester Assessment District in August of 1995 for the purpose of financing public improvements through assessments on the property owners within the District (Resolution No. 589-95).

Resolution No. 589-95 authorized the City enter into a Public Improvement Agreement with the developers of the Bayshore Hestor subdivision project, under which

> the developers agreed to construct a new public rightof-way comprising curbs, gutters, sidewalks, joint utilities trenches for electricity, gas, telephone and cable television, water lines, sewer lines, street lights, and fire hydrants. The cost of these public improvements was \$746,982 and such costs were advanced by the developers. The net contribution by the developers toward the cost of these improvements was \$54,801, as shown in the table below.

> In June of 1996, the Board of Supervisors approved an Acquisition and Funding Agreement between the City and the developers, under which the City agreed to acquire the public improvements after all construction of such improvements was completed. In June of 1996, the City issued \$1,030,000 in Bayshore Hester Assessment District Limited Obligation Improvement Bonds in order to pay for the acquisition of these public improvements. The following is a breakdown of the sources and uses of the \$1,030,000 of bond funds:

Public Improvements	\$746,982
Debt Service Reserve Fund	94,400
Capitalized Interest	97,819
Costs of Issuance	<u>145,600</u>
Subtotal	\$1,084,801

Developer Contribution	(54,801)
Total	\$1,030,000

Ms. Opsahl reports that in September of 1998, when the public improvements were completed, the City reimbursed the developers \$746,982 for the public improvements. After such reimbursement, a balance of \$35,297 in interest earnings remained in the Project Improvement Fund and the Debt Service Reserve Fund. The proposed resolution would declare these funds to be surplus to the needs of the Bayshore Hester Assessment District and would direct the disbursement of the \$35,297 of interest earnings to the redemption of \$30,000 of the outstanding bonds.

Comments:

1. Ms. Opsahl reports that the assessments collected from the District's homeowners are used to pay for the

debt service on the bonds. According to Mr. Dave Sanchez of the City Attorney's Office, no City funds are being used to pay for the costs of the bonds. The annual assessment payments paid by each property owner in the District in FY 1998-1999 averaged approximately \$1,755, based on the size of the individual lots and the benefit each parcel receives from the improvements made to the District.

- 2. According to Ms. Opsahl, from June of 1996, when the bonds were sold, until September of 1998, when the public improvements were completed, the bond proceeds deposited in the Improvement Fund and the Debt Service Reserve Fund earned interest. This additional interest currently totals \$35,297. Ms. Opsahl notes that according to legal requirements, once the construction costs for the public improvements have been paid and the construction completed, any surplus funds must be used for the redemption of the bonds.
- 3. In addition, Ms. Opsahl reports that the bondholders must be paid a premium of three percent of the \$30,000 bond amount to be redeemed, or \$900 for the early redemption of the bonds. According to Ms. Opsahl, given the \$900 that is needed to pay the bondholders and since the bonds are issued in denominations of \$5,000, the maximum amount of bonds that can be redeemed from the existing surplus interest earnings of \$35,297 is \$30,000. The remaining amount of \$4,397 (\$35,297 current interest earnings less \$30,000 of bonds to be redeemed less \$900 premium paid to bondholders) will be transferred to the bond fund and applied to future debt service payments.
- 4. According to Ms. Opsahl, as of March 2, 1999, the total outstanding debt service remaining on the bonds will be \$2,308,691, including principal and interest. However, after the proposed redemption of \$30,000 in bonds, a total of \$2,227,616 would remain outstanding. This reduced debt service balance would result in a savings to the District in the amount of \$81,075 in debt service payments, according to Ms. Opsahl. Since

the debt service is paid from the homeowners' assessments, the amount of \$81,075 would effectively constitute a reduction in homeowner assessments in the Bayshore Hester Assessment District. Ms. Opsahl estimates that this reduction of \$81,075 will result in an average savings of approximately \$62.55 in assessments paid by each homeowner for FY 1998-99. As indicated above, the average assessment per homeowner in FY 1998-99 is \$1,755. Therefore, an average reduction of approximately \$62.55 would result in an average assessment of \$1,692.45 per homeowner in FY 1998-99.

Recommendation: Approve the proposed resolution.

Items 7 and 8 - Files 99-0041 and 99-0042

Department:

Department of Human Resources (DHR)

Items:

File 99-0041: Ordinance amending Ordinance No. 259-97 to implement the provisions of an arbitrator's award amending the provisions of the Memorandum of Understanding (MOU) between the Union of American Physicians and Dentists and the City and County of San Francisco providing for a one-time 2.5% bonus on July 1, 1999, in lieu of an incentive-based bonus, for Bargaining Unit 8CC.

File 99-0042: Ordinance amending Ordinance No. 258-97 to implement the provisions of an arbitrator's award amending the provisions of the Memorandum of Understanding (MOU) between the Union of American Physicians and Dentists and the City and County of San Francisco providing for a one-time 2.5% bonus on July 1, 1999, in lieu of an incentive-based bonus, for Bargaining Unit 11AA.

Description:

On May 30, 1996, the Board of Supervisors approved two ordinances (Ordinance 259-97 and Ordinance 259-97) to implement MOUs between the City and Bargaining Units 8CC and 11AA of the Union of American Physicians and Dentists for the four-year period covering July 1, 1997 through June 30, 2001.

Bargaining Unit 8CC represents the following seven classifications, for a total of 172.5 Full-Time Equivalent (FTE) employees:

Classification	Employee Title
2220	Physician
2230	Physician Specialist
2231	Senior Physician Specialist
2236	Medical Advisor
2292	Shelter Veterinarian
2582	Forensic Pathologist
2210	Dentist

Bargaining Unit 11AA represents the following one classification, representing 3.09 FTE employees:

Classification

Employee Title

2232

Supervising Physician Specialists

The existing MOUs established an incentive-based bonus program entitled the "Medical Quality Incentive Program," to permit each member of Bargaining Units SCC and 11AA to "be eligible to receive an incentivebased bonus" "ranging each year from 0 to 3 percent of the employee's prior fiscal year's base salary earning" payable within 60 days of July 1, 1999 and July 1, 2000. According to Ms. Alice Villagomez, Deputy Director of the Department of Human Resources (DHR), the Union and the City have been unable to reach agreement on how to implement the Medical Quality Incentive Program pursuant to the existing MOUs. As a result, in accordance with Charter Section 8.409, et seq. and pursuant to the existing MOUs, a third-party arbitrator was selected by the City and the Union to resolve this issue. Mediation and arbitration hearings were held on March 30, 1998 and an arbitration award was made on June 1, 1998.

The proposed amendments to the existing ordinances would implement this arbitration award by amending the existing MOUs to provide for a one-time bonus of 2.5 percent of the employee's base salary to be paid within 60 days of July 1, 1999 for Bargaining Unit 8CC and Bargaining Unit 11AA. The proposed amendment would be effective for the one-year period from July 1, 1999 through June 30, 2000. Thus, under the proposed amendment, no incentive-based bonus would apply as of July 1, 1999. However, implementation of the previously approved Medical Quality Incentive Program would still apply beginning as of July 1, 2000.

Comments:

1. The attached memorandum from the Controller shows a) that the salary base of the employees covered under Bargaining Units 8CC and 11AA is approximately \$19.8 million, and b) that the incremental costs of the proposed amendment, which would apply a one-time 2.5 percent bonus for FY 1999-2000, would be \$575,069.

- 2. According to Ms. Peg Stevenson of the Controller's Office, when the existing MOUs were previously approved, the Controller provided the Board of Supervisors with a cost analysis which estimated an incremental cost of \$332,000 for the Medical Quality Incentive Program for FY 1999-2000. Thus, for FY 1999-2000, the difference between the estimated incremental costs under the incentive-based program and the estimated incremental costs under the proposed amendment would be an additional \$243,069.
- 3. Ms. Stevenson further notes that although the proposed ordinance states that the affected employees would receive a one-time 2.5 percent bonus based on the employee's base salary, the proposed amendment would effectively increase the City's cost by approximately 2.9 percent in FY 1999-2000, when wage-related fringe benefit increases such as Social Security, unemployment insurance and retirement benefits are also factored.
- 4. The source of funds to pay for the proposed increased employee costs would be the City's General Fund. As provided in the arbitration award, the proposed 2.5 percent bonus would be paid within 60 days after July 1, 1999, and would therefore have to be included in the FY 1999-2000 budget.
- 5. Ms. Vicki Clayton of the City Attorney's Office reports that the arbitrator's decision is final and binding and the Board of Supervisors is required to approve the proposed ordinance, which would implement the provisions of the arbitrated settlement, unless there is a legal basis for a challenge.

Recommendation:

Approve the proposed ordinance.

CITY AND COUNTY OF SAN FRANCISCO

Edward Harrington Controller

John W. Madden Chief Assistant Controller

February 3, 1999

Ms. Gloria L. Young, Clerk of the Board Board of Supervisors 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

> RE: United Association of Physicians and Dentists MOU Amendment No. 1 File No. 99-0041 and File No. 99-0042

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding between the City and County of San Francisco and the United Association of Physicians and Dentists. The amendment covers the period July 1, 1999 through June 30, 2000, and affects approximately 181 employees with a salary base of approximately \$19.8 million.

The Medical Quality Incentive Program which this amendment affects was included in the United Association of Physicians and Dentists' MOU as previously approved by the Board of Supervisors. The MOU previously specified that UAPD employees would be eligible for an incentive-based bonus of up to 3% of base salary beginning July 1, 1999. This amendment provides instead that for FY 1999-2000 the Medical Quality Incentive Program will consist of a bonus to be paid to all employees of 2.5% of base salary, and that implementation of the incentive-based bonus system is now planned for July 1, 2000.

Based on our analysis, the amendment will result in estimated incremental costs of approximately \$575,000 in FY 1999-2000. Including wage-related fringe benefits, the amendment will result in a cost increase above the base salary amount of approximately 2.9% in FY 1999-2000. The cost analysis provided by the Controller when the MOU was previously approved by the Board of Supervisors (letter of June 4, 1997) included an estimated amount of \$332,000 for the Medical Quality Incentive Program in 1999-2000.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington

Controller

cc:

Vicki Rambo, ERD

Harvey Rose, Budget Analyst

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Attachment Page 2 of 2 PAGE 3/3

United Association of Physicians and Dentists Estimated Costs 1999-2000 Controller's Office

Attachment A

Annual Incremental Costs/(Savings)	FY 1999-2000
Medical Quality Incentive Program 2.5% bonus on 7/1/99	495,749
Wage-Related Fringe Increases	79,320
Total Estimated Incremental Costs	575,069
Incremental Cost % of Salary Base	2.90%



### <u>Item 9 - File 99-0043</u>

Department:

Department of Human Resources

Item:

Ordinance implementing Amendment No. 1 to the Memorandum of Understanding (MOU) between the Teamsters, Local 856 and the City and County of San Francisco to correct a clerical error by adding classification 3372, Animal Control Officer and deleting classification 3370, Animal Care Attendant in the listing of classifications having a one-year probationary period as set forth in Article II.B of the MOU effective July 1, 1998 through June 30, 2001.

Description:

In June of 1998, the Board of Supervisors approved a mediated settlement agreement (File No. 98-838) to extend the terms of an existing MOU with the Teamsters, Local 856 for the three-year period from July 1, 1998 through June 30, 2001.

According to Ms. Vicki Clayton of the City Attorney's Office, a mediated settlement agreement was required because the Teamsters, Local 856 and the City representatives could not reach agreement on the provisions of the MOU, including wage increases, salary step increases for provisional employees and various non-economic issues.

The subject MOU covers the following 14 classifications, for a total of 120 employees.

Classifications	Employee Titles
1434	Shelter Service Representative
2444	Clinical Lab Technician
2453	Supervising Pharmacist
2462	Microbiologist
2464	Senior Microbiologist
2496	Radiologic Technologist Supervisor
3320	Animal Keeper
3370	Animal Care Attendant
3372	Animal Control Officer
6139	Senior Industrial Hygienist
7444	Parking Meter Repairer
8322	Senior Counselor, Juvenile Hall
8323	Senior Counselor, Boys Ranch School
8324	Supervising Counselor, Juvenile Court

Currently, Article II.B of the MOU lists the following 7 classifications of employees as having a one-year probationary period.

Classifications	Employee Titles
2444	Clinical Lab Technician
2453	Supervising Pharmacist
2462	Microbiologist
2463	Senior Microbiologist
2496	Radiologic Technologist Supervisor
8324	Supervising Counselor, Juvenile Court
3370	Animal Care Attendant

The proposed ordinance would implement Amendment No. 1 to the existing MOU between the Teamsters, Local 856 and the City. According to Ms. Clayton, this amendment would correct a clerical error by adding classification 3372, Animal Control Officer, which was inadvertently omitted and deleting classification 3370, Animal Care Attendant, which was inadvertently included, in the listing of classifications having a one-year probationary period as set forth in Article II.B of the MOU.

The subject amendment would be retroactive to July 1, 1998 through June 30, 2001, when the existing MOU

terminates.

Comment: According to Ms. Alice Villagomez of the Department of

Human Resources, the proposed legislation would simply correct a clerical error by substituting classification 3370, Animal Care Attendant with classification 3372, Animal Control Officer in the listing of classifications having a one-year probationary period as set forth in Article II.B of the subject MOU. As such, the proposed ordinance would

not have any fiscal impact to the City.

Recommendation: Approve the proposed ordinance.



### Item 10 - File 99-0044

Department:

Department of Human Resources

Item:

Ordinance implementing the provisions of an amendment to the Memorandum of Understanding (MOU) between the San Francisco Deputy Sheriff's Association and the City and County of San Francisco to correct a clerical error of omission by adding Appendix D: Leave of Absences.

Description:

In June of 1998, the Board of Supervisors approved an arbitration award (File No. 98-927) to extend the terms of an existing MOU with the Deputy Sheriff's Association for the three-year period from July 1, 1998 through June 30, 2001.

According to Ms. Michele Modena of the City Attorney's Office, an arbitration award was required because the Deputy Sheriff's Association and the City representatives could not reach agreement on the provisions of the MOU, including wage increases, salary step increases for provision employees, minimum staffing levels at county jail facilities and other non-economic issues.

The subject MOU covers the following 7 classifications, for a total of 748 employees.

Employee Titles
Deputy Sheriff I
Deputy Sheriff
Senior Deputy Sheriff
Sheriffs Sergeant
Sheriff's Lieutenant
Sheriff's Captain
Chief Deputy Sheriff

Currently, Article II.R of the MOU states that portions of the Civil Service Commission Rules<sup>1</sup> applicable to

<sup>&</sup>lt;sup>1</sup> The Civil Service Commission Rules are the administrative rules for governing the City's Merit System, including employment, recruitment, application, examination, selection, certification and appointment, according to Ms. Kate Favetti, Executive Director of the Civil Service Commission.

employee leaves of absence, which may not be negotiated or arbitrated, are attached to the MOU as Appendix C.

Article II.R also states that portions of the Civil Service Commission Rules applicable to employee leaves of absence, which are negotiable and arbitrated in accordance with City Charter Sections A8.409 et seq., may not be changed during the term of the MOU, except by mutual consent of the Deputy Sheriff's Association and City representatives. According to Ms. Modena, the above-noted portions of the Civil Service Commission Rules should have been attached to the MOU as Appendix D: Leave of Absences at the time of its approval by the Board of Supervisors. However, Ms. Modena states that such appendix was inadvertently omitted from the subject MOU.

The proposed ordinance would amend the existing MOU between the San Francisco Deputy Sheriff's Association and the City and County of San Francisco to correct a clerical error by adding Appendix D: Leave of Absences to the MOU. As noted above, Appendix D: Leave of Absence contains the portions of the Civil Service Commission Rules applicable to employee leaves of absence, which are negotiable and arbitrated in accordance with City Charter Sections A8.409 et seq., but which may not be changed during the term of the MOU, except by mutual consent of the Deputy Sheriff's Association and City representatives.

Comment:

According to Ms. Alice Villagomez of the Department of Human Resources, the proposed legislation would simply correct a clerical error by adding Appendix D: Leave of Absences to the existing MOU between the Deputy Sheriff's Association and the City. As such, the proposed ordinance would not have any fiscal impact to the City.

Recommendation:

Approve the proposed ordinance.

#### <u>Item</u> 11 – File 98-1796

Department:

City Attorney
District Attorney

Item:

Ordinance amending Chapter VII, Part 2 of the Municipal Code (Police Code) by adding Section 648.1 to Article 9 of the Municipal Code, to prohibit financial institutions from imposing a surcharge on non-account holders who use Automated Teller Machines (ATMs) owned by financial institutions that are located in San Francisco.

Description:

Currently, various financial institutions impose a surcharge on persons, who are not their customers, for using ATMs owned by those institutions (see Comment No. 1).

The proposed legislation would prohibit financial institutions from imposing a surcharge of any kind on persons who are not their customers for accessing ATMs, located in the City and County of San Francisco, which are owned by those financial institutions, when the access devices are not issued by those financial institution. An access device means a card, code or other means of access to a customer's account, or any combination thereof, that may be used by the customer to initiate an electronic funds transfer.

The result of the proposed legislation would be that financial institutions would be prohibited from imposing a surcharge on persons, who are not their customers, for using ATMs owned by those institutions.

This proposed legislation provides that any person injured by a violation of this ordinance may enforce its provisions by means of a civil action. Any financial institution that violates this ordinance would be liable to the person injured for the actual damages as determined by a jury, or a court sitting without a jury, but in no case less than \$250. Any financial institution found to be in violation of this ordinance would also be liable for attorney's fees and court costs, as determined by the court, and for punitive damages not to exceed \$5,000 in cases where a financial institution has engaged in a pattern of willful violations.

Furthermore, any action for injunction may be brought by any person injured by a violation of this ordinance, by the City Attorney, by the District Attorney, or by any person or entity which will fairly and adequately represent the interests of the protected class.

#### Comments:

- 1. According to Mr. Mario Kashou of the City Attorney's Office, the surcharge (imposed by financial institutions on persons, who are not their customers, for using ATMs owned by those institutions) is usually \$1.50 to \$2.00. Mr. Kashou states that this surcharge is in addition to an "off-us" fee, usually \$1.50 to \$2.00, that nearly all financial institutions already charge their own customers for using another financial institution's ATM. According to Mr. Kashou, based on the above-noted ATM usage costs, the surcharge (imposed by financial institutions on non-customers who use ATMs owned by those institutions) and the "off-us" fee (charged by financial institutions to their own customers for using another financial institution's ATM) usually totals \$3.00 to \$4.00 for each ATM withdrawal, regardless of the amount of each transaction.
- 2. Mr. Kashou advises that the proposed ordinance would primarily be enforced by means of private lawsuits brought by citizens against financial institutions that impose the above-noted surcharges for use of their ATMs.
- 3. Mr. Kashou advises that in the event that some financial institutions refuse to comply with the proposed ordinance, both the City Attorney and the District Attorney may also enforce this ordinance by securing court injunctions against such financial institutions to prohibit them from imposing the subject surcharges. Mr. Kashou and Ms. June Cravett of the District Attorney's Office state that they cannot estimate the legal costs to the City because such costs will depend on the number of financial institutions that do not comply with the proposed ordinance. However, according to Mr. Kashou and Ms. Cravett, barring any major non-compliance of the proposed ordinance by financial institutions, the City Attorney's Office and District Attorney's Office do not anticipate requesting additional budgeted funds to administer this proposed ordinance. Ms. Kashou believes

# BOARD OF SUPERVISORS BUDGET ANALYST

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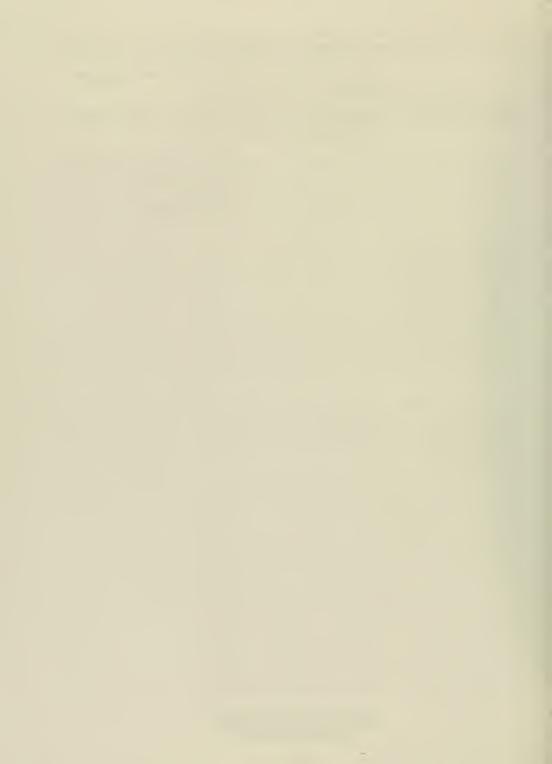
that the likelihood of any major non-compliance is minimal.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Yee Supervisor Bierman President Ammiano Supervisor Becerril Supervisor Brown Supervisor Katz Supervisor Kaufman Supervisor Leno Supervisor Newsom Supervisor Teng Supervisor Yaki Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakey





# City and County of San Francisco Meeting Minutes Finance and Labor Committee

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

Wednesday, February 17, 1999

10:00 AM

City Hall, Room 263

Regular Meeting

Members Present:

Leland Y. Yee, Sue Bierman, Tom Ammiano.

DOCUMENTS DEPT.

### Meeting Convened

990135

The meeting convened at 10:00 a.m.

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### REGULAR AGENDA

[Lake Merced Transport Project - Transfer of Land]

Resolution authorizing transfer of land (Assessor's Parcel No. 7282 described as Parcel No. 1 comprising of 36,007 square feet and Parcel 2 comprising of 2,672 square feet); to the United States of America for inclusion in the Golden Gate National Recreation Area. (Real Estate Department)

1/25/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department; Supervisor Ammiano; Supervisor Yee; Supervisor Bierman.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Aves: 3 - Yee, Bierman, Ammiano

#### 990026 [Permit Regulation of Hazardous Wastes on Private Property]

Ordinance repealing the definition of "Hazardous Waste" in Section 1000, and Sections 1002, 1003, 1005, 1007, 1008, 1009, 1010, 1011, 1013, and 1015 of Article 20 of the San Francisco Public Works Code; and amending the San Francisco Health Code by reenacting the repealed provisions as new Article 22A; amending the remaining provisions of Article 20 of the San Francisco Public Works Code to reference new Article 22A of the San Francisco Health Code; and providing the Department of Public Health with the authority to charge fees to defray the cost of implementing this article. (Department of Public Health)

(Repeals Section 1000, and Sections 1002, 1003, 1005, 1007, 1008, 1009, 1010, 1011, 1013, and 1015 of Article 20 of Public Works Code; amends the Health Code by reenacting the repealed provisions as new Article 22A; amends the remaining provisions of Article 20 of the Public Works Code to reference new Article 22A of the Health Code.

1/1/99, RECEIVED AND ASSIGNED to Health, Family, and Environment Committee.

1/25/99, TRANSFERRED to Public Health and Environment Committee. New committee structure.

1/28/99, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee: Speakers: Department Representative: Scott Natamo, Department of Public Health; Ted Lakey, Deputy City Attorney. In Support: Jeff Ludlow, Treadwell and Rollo.

1/28/99, REFERRED to Finance and Labor Committee. 1/28/99 - Recommended as amended by Public Health and Environment Committee (Supervisor Brown absent). Referred to Finance and Labor Committee for fiscal consideration.

Heard in Committee. Speakers: Harvey Rose, Eudget Analyst; Scott Nakamura, Department of Public Health; Jeff Ludlow, supports; Supervisor Ammiano; Supervisor Yee.

RECOMMENDED by the following vote:

Aves: 3 - Yee, Bierman, Ammiano

#### 990152 [Purchase of 555-7th Street Building]

Resolution authorizing the exercise of the purchase option in the lease between the City and County of San Francisco ("City"), as lessee, and Burt J. Hamrol, as lessor, for the real property and building located at 555-7th Street (the "Property"); authorizing the officers of the City to enter into documents to implement said purchase; approving a Project Lease related to financing the acquisition of the property (including certain indemnities contained therein); approving a Trust Agreement between the City and a Trustee (including certain indemnities contained therein); authorizing the selection of a Trustee; approving the execution and delivery of Certificates of Participation to finance the acquisition of the property; authorizing the offer and sale of the certificates; approving the form of Official Notice of Sale, Notice of Intention to Sell, and Official Statement; approving the form of Continuing Disclosure Certificate relating to the certificates; approving the validation of the execution and delivery of certificates; adopting findings pursuant to Planning Code Section 101.1; and ratifying previous actions taken in connection therewith. (Mayor)

1/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Harvey Rose, Budget Analyst; Supervisor Yee; Tony DeLucchi, Real Estate Department; Supervisor Ammiano. RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

### 990125 [Navy Lease of 574 Housing Units on Treasure Island and Related Facilities]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 574 of a total of 766 housing units on Treasure and Yerba Buena Islands to be subleased to the John Stewart Company.

(Fiscal impact.)

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers Harvey Rose, Budget Analyst, Supervisor Ammiano, Supervisor Yee; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Supervisor Bierman, Michael Cohen, Deputy City Attorney.

RECOMMENDED by the following vote:

Aves: 3 - Yee, Bierman, Ammiano

[Sublease of up to 766 Housing Units on Treasure Island]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing the Treasure Island Development Authority to execute a sublease, development, marketing and property management agreement with the John Stewart Company for up to 766 housing units on Treasure and Yerba Buena Islands.

(Fiscal impact.)

990126

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999.

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Supervisor Yee; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Supervisor Bierman; Michael Cohen, Deputy City Attorney.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

Resolution approving and authorizing Treasure Island Development Authority to execute a sublease, development, marketing and property management agreement with the John Stewart Company for up to 766 housing units on Treasure and Yerba Buena Islands.

#### RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

990127 [Indemnity and Repayment Agreements, Treasure Island Housing]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing a repayment agreement with the Treasure Island Development Authority and an indemnity agreement with the John Stewart Company related to Treasure Island Housing.

(Fiscal impact.)

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999.

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Supervisor Yee; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Supervisor Bierman; Michael Cohen, Deputy City Attorney.

RECOMMENDED by the following vote:

Aves: 3 - Yee, Bierman, Ammiano

990128 [Navy Lease of 86 Housing Units on Treasure Island and Related Facilities]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing the Treasure Island Development Authority to execute with the United States Navy for the first 86 of a total of 222 housing units on Treasure and Yerba Buena Islands to be subleased to member organizations of the Treasure Island Homeless Development Initiative.

(Fiscal impact.)

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999.

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano, Supervisor Yee; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Supervisor Bierman; Michael Cohen, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

### 990129 [Sublease of 86 Housing Units on Treasure Island and Related Facilities to TIHDI]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing the Treasure Island Development Authority to execute four (4) subleases with member organizations of the Treasure Island Homeless Development Initiative for the first 86 of a total of 222 housing units on Treasure and Yerba Buena Islands.

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999.

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers. Harvey Rose, Budget Analyst, Supervisor Ammiano; Supervisor Yee; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Supervisor Bierman; Michael Cohen, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

### 990130 [Revenue Sharing Agreement with TIHDI Regarding Housing Units]

Supervisors Mayor, Ammiano, Yee, Yaki, Bierman, Brown

Resolution approving and authorizing the Treasure Island Develorment Authority to execute a revenue sharing agreement with the Treasure Island Homeless Development Initiative regarding the temporary use of 112 housing units on Treasure and Yerba Buena Islands in connection with the John Stewart Company sublease.

(Fiscal impact.)

1/25/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/24/1999.

2/9/99, REFERRED to Finance and Labor Committee. This item was not considered by the Committee due to its fiscal impact. The item was referred to the Finance and Labor Committee for consideration.

Heard in Committee. Speakers. Harvey Rose, Budget Analyst, Supervisor Ammiano, Supervisor Yee, Annemarie Conroy, Executive Director, Treasure Island Development Authority, Supervisor Bierman, Michael Cohen, Deputy City Attorney

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### 990157 [CalWORKs - Child Care Contract Modification]

Resolution authorizing an increase in enrollment and service level for CalWORKs Child Care by modifying the existing contract with the Children's Council of San Francisco in the amount of \$40.8 million to provide for the increase in enrollment, program costs and a number of capacity building initiatives. (Department of Human Services)

1/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

1/28/99, CLERICAL CORRECTION. Clerical correction to title only; delete "Urging the Board of Supervisors to authorize".

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Will Lightbourne, Executive Director, Human Services Department; Supervisor Ammiano; Supervisor Yee. In Support - Maria Luz Torre, Parent Voices; Elia Fernandez; Susan Lavara.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### 990183 [California Community Dispute Services Contract/Program]

Supervisor Yee

Hearing to consider the California Community Dispute Services (CCDS) contract and program.

2/1/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

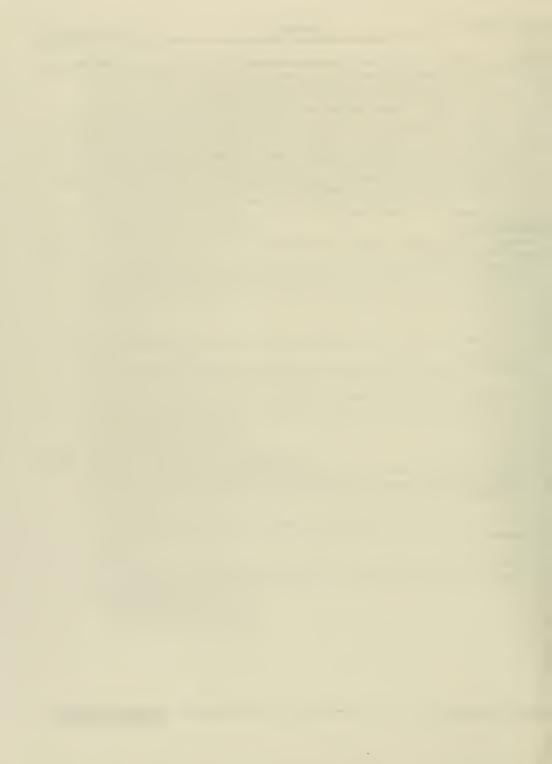
Heard in Committee. Speakers: Supervisor Yee; Harvey Rose, Budget Analyst; Thom Bateman, Executive Director, California Community Dispute Services (CCDS); Supervisor Ammiano; Jeff Brown, Public Defender; Gordon Park -Li, Executive Officer, Superior Court; Captain Alex Fagan, Fiscal Division, Police Department; Lieutenan Ray Kilroy, Commanding Officer, Vice Crimes; Deputy Chief Richard Holder; Supervisor Bierman; Riva Bautista, Assistant District Attorney; Rebecca; Captol Leigh, Coalition on Prostitution; Teri Goodson, COYOTE; Daisy, Exotic Dancer's Alliance; Madeline Lowe; Terry R. Koch, National Lawyers Guild; Johanna Breyer, Exotic Dancer's Alliance; Dawn Passar, Exotic Dancer's Alliance; Ricardo, investigative writer; Renata Huang, freelance reporter.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### ADJOURNMENT

The meeting adjourned at 1:00 p.m.



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CITY AND COUNTY



## OF SAN FRANCISCOCUMENTS DEPT.

### BOARD OF SUPERVISORS

FEB 1 9 1999

#### BUDGET ANALYST

SAN FRANCISCO PUBLIC LIBRARY

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

February 12, 1999

TO:

Finance and Labor Committee

FROM:

Budget Analyst

SUBJECT: February 17, 1999 Finance and Labor Committee Meeting

Item 1 - File 99-0135

Department:

Department of Real Estate (DRE)

Recreation and Park Department (RPD)

Item:

Resolution authorizing the transfer of City-owned land, from the Recreation and Park Department to the National Park Service (NPS) of United States Department of the Interior, through the execution of a quitclaim deed, at no cost to the NPS, for the NPS to operate and maintain a

public restroom facility on such land.

Description:

The proposed resolution would authorize, at no cost to the National Park Service (NPS), the permanent transfer of City-owned property from the Recreation and Park Department (RPD) to the NPS, through the execution of a quitclaim deed, consisting of two parcels of vacant land, one located south of Sloat Boulevard to Skyline Boulevard (36,007 square feet), and one located west of the curb line of the Great Highway to the Golden Gate National Recreation Area (GGNRA)<sup>1</sup> (2,672 square feet), for a total of 38,679 square feet.

According to Mr. James Chia of the Department of Public Works (DPW), in order to construct the Lake Merced

<sup>&</sup>lt;sup>1</sup> The GGNRA is 76,500 acres of urban park land, maintained by the NPS, along the coastlines of the Marin, San Mateo and San Francisco Counties.

Transport Project<sup>2</sup>, the City required the temporary use of certain NPS land located within the GGNRA for staging purposes during the construction phase of the Lake Merced Transport Project.

Mr. Chia states that as part of mitigation measures for the construction of the Lake Merced Transport Project, the DPW agreed to build a restroom facility for use by the public on NPS land adjacent to Sloat Boulevard and the North Sloat Parking Lot along the Great Highway. According to Mr. Chia, a portion of the restroom facility was constructed on the parcel of City-owned land, consisting of 36,007 square feet, located south of Sloat Boulevard to Skyline Boulevard. Mr. Chia states that using Clean Water Program funds, the DPW completed the construction of the restroom facility in August of 1993 at an estimated cost of \$350,000. Mr. Chia states that the NPS has operated and maintained the restroom facility at no cost to the City.

#### Comments:

1. In the attached memorandum, provided by Mr. Anthony DeLucchi, Director of Property, referring to the proposed transfer of City-owned property to the NPS at no cost to the NPS, Mr. DeLucchi explains that "The Recreation and Park Department determined it is in the best interest of the City to transfer the subject land between the Great Highway and the GGNRA property line to the GGNRA3." Mr. DeLucchi concurs with the RPD's determination to transfer the subject City-owned property to NPS because he states that the subject Cityowned strip of property, which Mr. DeLucchi refers to as "a sliver of land," is of use only to NPS. In the attached memorandum. Mr. DeLucchi also states that "As consideration from GGNRA, they have agreed to full responsibility for the maintenance and repair of the storm drains and storm sewers on their property."

Also in this memorandum, referring to the subject Cityowned property, Mr. DeLucchi states that "The likelihood of the zoning designation being anything other than

<sup>&</sup>lt;sup>2</sup> The Lake Merced Transport Project was a DPW effort to service and repair storm drains along the Great Highway near Lake Merced, according to Mr. Chia.

<sup>&</sup>lt;sup>3</sup> In this memorandum, Mr. DeLucchi refers to the National Park Service as the Golden Gate National Recreation Area (GGNRA).

public open space is virtually non-existent. As a result, it has no value to a private owner and would be burdened with the added liability and obligation to allow the public to use and to cross the property to adjoining open space."

- 2. The Department of City planning has determined that the proposed transfer of City-owned property to National Park Service is in conformity with the General Plan.
- 3. According to Mr. Robert Bryan of the City Attorney's Office, upon transfer to the NPS of the subject City-owned property, including the restroom facility thereon, any City responsibilities or liability in connection with NPS' operation of the restroom facility would cease.

Recommendation:

Approve the proposed resolution.

### City and County of San Francisco

### Real Estate Department Office of the

Director of Property

February 11, 1999

Lake Merced Transport Project Transfer of land to the GGNRA (Portion of APN 7282)

Harvey Rose Budget Analyst 1390 Market Street, Suite 1025

Dear Mr. Rose:

In response to your inquiry concerning the proposal to transfer the above-captioned property to the Golden Gate National Recreation Area (GGNRA) at no cost and a value representation if the property could be sold privately, we submit the following information for your consideration:

A Special Use Permit was granted to the City as an accommodation to facilitate the construction of the Lake Merced Transport Project which allowed the City to use GGNRA property at no rental cost for storage and construction staging purposes.

As consideration and a mitigation measure for the project, the Permit required City to construct a restroom facility partially on GGNRA and the subject property. GGNRA assumed responsibility for maintenance and cost of utilities to the restroom. Formerly, there were no public restrooms in the general vicinity although the demand was recognized.

After the initial grant was made to GGNRA, it was determined that a sliver of land remained under Rec Park jurisdiction located between the Great Highway and GGNRA lands. The Recreation and Park Department determined it is in the best interest of the City to transfer the subject land between the Great Highway and the GGNRA property line to the GGNRA. (The Real Estate Department concurs in this opinion.) As consideration from GGNRA, they have agreed to full responsibility for the maintenance and repair of the storm drains and storm sewers situated on their property.

The Department of City Planning (DCP) found the Project and the transfer of the two parcels to be in conformity with the General Plan "as the property will continue to be maintained and managed as public open space." Furthermore, DCP cited "use of the land would not be affected by the transfer. The land, zoned "P", Public Use, would continue to be available as open space." Therefore, it is our opinion the economic value of the property is the benefit it provides to the general public for recreation and open space.

554-9650 FAX: 552-9216

25 Van Ness Aversue, Surts 400

San Francisco, 94102

Harvey Rose February 11, 1999 Page 2.

The likelihood of the zening designation being anything other than public open space is virtually non-existent. As a result, it has no value to a private owner and would be burdened with the added liability and obligation to allow the public to use and to cross the property to adjoining open space.

If you require any further information regarding this matter, please feel free to contact me at #554-9875 or Claudine Venegas of my staff at #554-9872.

Sincerely,

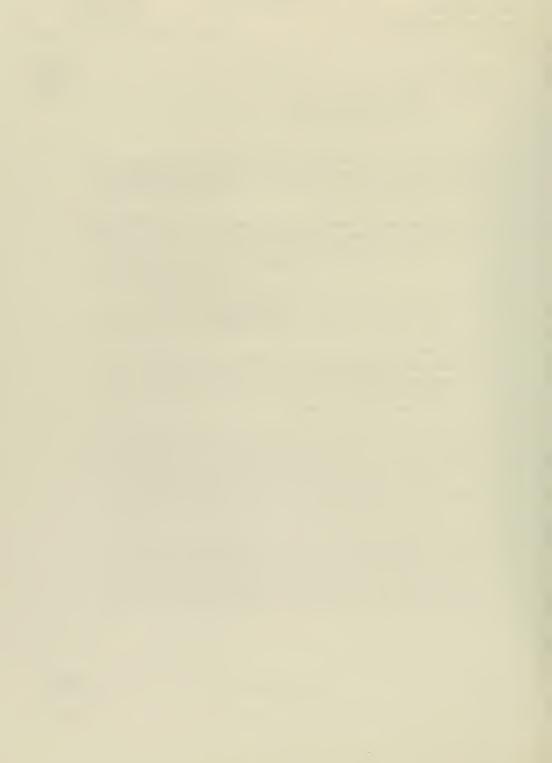
Anthony F. DeLucch Director of Property

Cvis:\egginabudgetanalyst

cc:

Gabe Cabrera, Budget Analyst James Chia, DPW Manfred Wong, PUC

Robert Bryan, Deputy City Attorney



### <u>Item 2 - File 99-0026</u>

Note:

This item was transferred from the January 28, 1999 Public Health and Environment Committee to the Finance and Labor Committee due to the consideration of fees in the proposed legislation. This report is based on an Amendment to the Whole, submitted to the January 28, 1999 Public Health and Environment Committee.

Department:

Department of Public Health

Item:

Ordinance (1) repealing the definition of "hazardous waste" in Section 1000, as well as all of Sections 1002, 1003, 1005, 1007, 1008, 1009, 1010, 1011, 1013 and 1115 of Article 20 of the San Francisco Public Works Code (Public Works Code); (2) amending the San Francisco Public Health Code (Health Code) by reenacting the above-noted repealed provisions of the Public Works Code as Article 22A of the Health Code; (3) amending the remaining provisions of Article 20 of the Public Works Code to reference new Article 22A of the Health Code; and (4) increasing the fees charged by the Department of Public Health to defray the related costs of implementing the substantive health protection requirements.

Description:

Currently, Article 20 of the Public Works Code contains the substantive health protection requirements concerning hazardous waste on private property in San Francisco.

Under these substantive health protection requirements, an applicant for a building permit must conduct a soil sampling at the proposed construction site and mitigate any hazardous waste found in such soil pursuant to a site mitigation plan.

Mr. William Chan of the City Attorney's Office states that although the substantive health protection requirements are codified in the Public Works Code, the Environmental Health Section of the DPH is currently responsible for implementing them. Specifically, the DPH staff reviews site history reports, soil analysis reports and site mitigation plans, and based on such review, determines whether applicants for building permits meet the requirements for analyzing the soil for the presence of hazardous waste. The Department of Building Inspection

subsequently issues the requested building permits upon instruction by the DPH, according to Mr. Chan.

Therefore, this proposed ordinance would relocate the substantive health protection requirements from Article 20 of the Public Works Code to a new Article 22A in the Health Code.

Specifically, the proposed ordinance would authorize the following actions:

- (1) Repeal the definition of "hazardous waste" in Section 1000, as well as all of Sections 1002, 1003, 1005, 1007, 1008, 1009, 1010, 1011, 1013 and 1115 of Article 20 of the Public Works Code.
- (2) Reenact the subject, repealed provisions of the Public Works Code as Article 22A of the Health Code.
- (3) Amend the remaining provisions of Article 20 of the Public Works Code to reference new Article 22A of the Health Code.
- (4) Increase the fees charged by the Department of Public Health to defray the related costs of administering the substantive health protection requirements.

According to Mr. Chan, the purpose of the proposed legislation is to promote greater efficiency in the administration of the substantive health protection requirements, by relocating such substantive health protection requirements from the Public Works Code to the Health Code.

#### Comments:

- 1. The attached memo, provided by Ms. Pamela Hollis of the DPH, compares the current fees charged by the DPH for defraying its related costs of administering the substantive health protection requirements with the proposed, increased fees for such costs.
- 2. According to Ms. Hollis, the DPH collected \$42,300 in current fees in FY 1997-98, as shown in the attached memo. Ms. Hollis advises that the proposed, increased fees would generate additional revenues to the City of

\$12,300 annually. As a result, the DPH would realize

total estimated annual fee revenues of \$54,600.

Recommendation: Approve the proposed ordinance.

# FEE COMPARISON FOR RELOCATION OF SUBSTANTIVE HEALTH PROTECTION REQUIREMENTS IN THE MAHER ORDINANCE

### Present Fees:

\$ 225.<sup>∞</sup> Initial fee (covering 3 hours of work)

\$ 75.<sup>∞</sup> Hourly rate charged thereafter

Monies generated for fiscal year 1997-1998

\$ 42,300.<sup>∞</sup> 28 projects with average time spent of 15 hours each

#### Proposed Fees:

\$ 390. of work)

\$ 130.<sup>∞</sup> Hourly rate charged thereafter

Projected monies to be generated for next fiscal year

\$ 54,600.00 28 projects with 15 hours each.

Projected increase in revenues generated

\$ 12,300.<sup>20</sup>

Post-It* brand fax transmittal memo 7671			
* Gabriel	From Rin		
ca Budget Archat	Ca DPH		
Dept.	Phone 2 2-3971		
Fee 252-061	152-3964		
	TOTAL P P1		

Item 3 - File 99-0152

Department:

Mayor's Office of Public Finance Department of Real Estate (DRE)

Item:

Resolution (1) authorizing the Director of Property to exercise an option under an existing lease between the City, as lessee, and Burt J. Hamrol, as lessor, to acquire the land and building located at 555 7th Street, (2) authorizing the officers of the City to enter into documents to implement said purchase, (3) approving a project lease related to financing the acquisition of the property, including certain indemnities contained therein. (4) approving a trust agreement between the City and a trustee, including certain indemnities contained therein, (5) authorizing the selection of a trustee, (6) approving the execution and delivery of Certificates of Participation (COPs) to finance the acquisition of the property and building, (7) approving the form of official notice of sale, notice of intention to sell and official statement, (8) approving the form of continuing disclosure certificate relating to the COPs, (9) approving the validation of the execution and delivery of the COPs, (10) adopting findings under the California Environmental Quality Act and findings pursuant to the City's Planning Code Section 101.1, and (11) ratifying previous actions taken in connection therewith.

Location of Real Property and Building:

555 7th Street

Planned Uses of Real Property and Building:

Administrative office space currently used by both the Public Defender and Sheriff's Department. The City currently leases the subject building and has been the sole occupant of the building since it was constructed in 1987, according to Mr. Larry Ritter of the Real Estate Department (DRE).

Present Owner:

Burt J. Hamrol

Lessor/Trustee

for COPs Financing: Financial institution anticipated to be determined by

competitive bid (see Comment No. 1). As explained below, the City would assign its rights to purchase the land, together with the building thereon, to a trustee, and lease the land and building back for an estimated 25 years, at which time the trustee would transfer fee title to the

property back to the City.

Size: Building: 32,000 square feet, Parking: 16,000 square feet,

and Rear Yard: 2,700 square feet

**Purchase Price:** \$7,358,125

Total Estimated COP Issuance for Purchase of Property,

Financing

and Related Costs: Not to exceed \$8,700,000. Ms. Sarah Hollenbeck of the

Mayor's Office of Public Finance currently estimates total costs at \$8,480,000 and a proposed COP issuance in the

same amount.

Term of Lease

for COP Financing: Not to exceed 35 years. Ms. Hollenbeck currently

estimates that the term of the lease would be 25 years.

Source of Funds: Sale of Certificates of Participation (COPs) to be financed

from budgeted General Fund monies for office rental for

the Public Defender and Sheriff's Department.

Description: In December of 1991, the City entered into a 10-year lease

of 50,700 square feet of real property located at 555 7<sup>th</sup> Street, including 32,000 square feet in the building located thereon, which is owned by Burt J. Hamrol. The subject building is currently used for administrative office space by both the Public Defender (24,332 square feet)

and Sheriff's Department (7,668 square feet).

The above-noted lease includes an option for the City to purchase the land and building at 555 7th Street. The proposed resolution would authorize financing of the \$7,358,125 purchase price for the land and building

located at 555  $7^{\rm th}$  Street through the issuance and sale of COPs.

COPs are a financing technique that provides long term financing through a lease or installment sales agreement. COPs represent proportionate interests in the lease of the property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City for the land and building. The City would assign its rights to purchase the land, together with the building thereon, to a financial institution, as trustee, and lease the land and building back from the financial institution at an annual amount sufficient to service the debt on the COPs purchased by the investors. At the end of the term (currently anticipated to be 25 years), the trustee would transfer fee title to the land and building back to the City.

The overall continued uses of the property at 555 7<sup>th</sup> Street are as follows:

Continued Uses	Square Feet
Public Defender Offices	24,332
Sheriff's Department Offices	7,668
Parking	16,000
Rear Yard	2,700
Total	50,700

The total estimated costs related to the purchase of the land and building at 555 7th Street are summarized as follows:

Appraised Value of Land and Building	\$7,358,125
(see Comment No. 2)	
Reserve Fund	654,260
Underwriters Discount	63,600
Cost of COPs Issuance	400,000
Rounding	4,015
Total	\$8,480,000

The expenditure of all funds would be subject to appropriation approval by the Board of Supervisors.

As noted above, COPs are proportionate interests in the lease of the land and building, which are sold to investors. The City anticipates assigning its rights to purchase the land and building to a financial institution serving as a trustee, and leasing the land and building back from the trustee at an annual amount sufficient to service the debt. on the COPs bought by the investors. Ms. Hollenbeck estimates that the annual lease payment to the trustee will total approximately \$651,598, based on an effective interest rate of 5.88 percent and a term of 25 years. Currently, the City reimburses the owner of the building for utilities and janitorial services, which totaled \$79,513 in FY 1998-99. However, the City does not pay for maintenance costs. Under the proposed acquisition of the subject property, the City would pay for the maintenance costs as well as for utilities and janitorial services. Such costs are estimated to increase by three percent per year from \$137,100 in FY 1999-2000 to \$278,696 in FY 2023-24, when the trustee will transfer fee title back to the City. Total projected annual expenditures, including the annual debt service for the COPs and the increased operations and maintenance costs, is estimated at \$788,698 in FY 1999-2000, increasing to \$930,294 in FY 2023-24.

Ms. Hollenbeck states that the source of funds for covering the annual project debt service for the COPs and to pay for utilities and janitorial services as well as the above-noted additional maintenance costs would be the currently budgeted funds for rental costs and utilities and janitorial services which the City is already paying to lease the building located at 555 7th Street. As shown in the Attachment to this report, provided by Ms. Hollenbeck, if the City were to continue to lease the building at 555 7th Street, total estimated expenditures of \$917,234 to the City for FY 1999-2000 would exceed the total estimated expenditures of \$788,698 to the City for the same fiscal year if the City were to purchase and maintain the land and building. The Attachment shows that the proposed acquisition would result in estimated savings of \$128,537 to the City in FY 1999-2000. In FY

2000-01, the Mayor's Office of Public Finance estimates savings of \$160,294. The projected annual savings to the City would continue to increase through the expected 25-year term of the COP issuance.

The Attachment also shows that the City would save an estimated \$9,774,257 in nominal dollars, or a net present value of \$4,327,426 discounted at 5.88 percent, over the next 25 years by purchasing the land and building at 555 7th Street in FY 1998-99, instead of continuing to lease the building.

#### Comments:

- 1. As noted above, the Mayor's Office of Public Finance plans to assign the City's rights to purchase the property at 555 7th Street to a financial institution (trustee) and lease the property back from the trustee at an annual amount sufficient to service the debt on the COPs. Ms. Hollenbeck advises that the Mayor's Office of Public Finance plans to send Invitations for Proposals to various financial institutions and expects to select the trustee in May of 1999.
- 2. Mr. Ritter advises that the City's lease with Burt J. Hamrol specified that, in connection with the City's option to acquire the property at 555 7th Street, the purchase price of the property would be determined by obtaining three independent appraisals, then discarding the appraisal that differed most widely from the other two appraisals, averaging the remaining two appraisals and reducing the average of the two appraisals by the cost of selling the property on the open market, instead of selling it to the City. The appraised value of the property, as determined in this manner, is \$7,358,125.
- 3. Ms. Hollenbeck states that the option to purchase the property at 555 7<sup>th</sup> Street under the existing lease between the City and Burt J. Hamrol expires on August 31, 1999.
- 4. As shown in the Attachment, under the terms of the existing lease between the City and Burt J. Hamrol, the annual rent paid by the City to Burt J. Hamrol for the property at 555 7th Street would increase by 4 percent per year until the year 2001. After this date, if the City were

to continue to lease the property, rather than to purchase the property, Mr. Ritter estimates that the annual rent would increase by ten percent every five-years, or approximately 2 percent every year, until the year 2024. This 2 percent increase in annual rent is at the current Consumer Price Index of approximately 2 percent and as such, represents a conservative estimate of future rental payment increases by the City to Burt J. Hamrol, according to Mr. Ritter.

- 5. Ms. Michelle Sexton of the City Attorney's Office states that the Project Lease and the Trust Agreement contain standard indemnification provisions in accordance with the COP financing.
- 6. The Capital Improvement Advisory Committee approved the proposed purchase of the land and building located at 555 7th Street at its meeting of January 22, 1999.
- 7. The Department of City Planning has found that the proposed acquisition of land and building located at 555 7th Street to be in conformity with General Plan and exempt from Environmental Review because the uses of such property would remain the same if the proposed resolution is approved.
- 8. In summary, the proposed resolution would authorize the City to purchase the land and building at 555 7th Street, instead of continuing to lease the property. The building is currently used for administrative office space by the Public Defender and Sheriff's Department, and such use would continue under the proposed purchase. Financing and related costs to acquire the property could not exceed \$8,700,000, and is currently estimated by the Mayor's Office of Public Finance at \$8,480,000. The resolution would authorize the issuance of up to \$8,700,000 in Certificates of Participation (COPs) to be repaid by the City through a lease held by a trustee, who would transfer fee title of the property to the City at the end of the lease term. The source of funds for covering annual project debt service for the COPs and to pay for utilities and ianitorial services as well as the additional maintenance costs would be the currently budgeted funds

for rental costs and utilities and janitorial services to lease the building located at  $555\ 7^{\rm th}$  Street.

As previously noted, the Mayor's Office of Public Finance estimates that purchase of the property at 555 7th Street at this time will result in a net present value savings to the City of approximately \$4,327,426 over the next 25 years, compared with the cost of continuing to lease the property.

Recommendation:

Approve the proposed resolution.

### Attachment

GIVA COUNTY OF SOME CONCESSOR
City & County or San Francisco
555 7th Street Acquisition Project
Savings Last 1997
Paralle State Scenario Exponente

	Base Case, No	Sequiption
Fiscal	Annuai	Annual
Year	· Rental	O&M [1]
1998-99	803,208	79.513
1999-00	835,336	81,898
2000-01	868,750	84,355
2001-02	955,627	86,886
2002-03	955,627	89,493
2003-04	955,627	92,177
2004-05	955,627	94,943
2005-06	955,627	97,791
2006-07	1,051,190	100,725
2007-08	1,051,190	103.746
2008-09	1,051,190	106,859
2009-10	1,051,190	110,065
2010-11	1,051,190	113,367
2011-12	1,156,309	116,768
2012-13	1,156,309	120.271
2013-14	1,156,309	123,879
2014-15	1,156,309	127,595
2015-16	1,156,309	131,423
2016-17	1,271,940	135,366
2017-18	1,271,940	139,427
2018-19	1,271,940	143,609
2019-20	1,271,940	147.918
2020-21	1,271,940	152,355
2021-22	1,399,134	156,926
2022-23	1,399,134	161,634
2023-24	1,399,134	166,483
TOTAL	\$ 28,880,025	\$ 3,065,468
NPV Savings		

= 25 Year Box	d Scenario
Annual	4
	Annual
Debt Service	<u>0&amp;M</u>
651,598	137,100
651,598	141,213
651,598	145,449
651,598	149,813
651,598	154,307
651,598	158,936
651,598	163,705
651,598	168,616
651,598	173,674
651,598	178,384
651,598	184,251
651,598	189,778
651,598	195,472
651,598	201,336
651,598	207,376
651,598	213,597
651,598	220,005
651,598	226,605
651,598	233,404
651,598	240,406
651,598	247,618
651,598	255,046
651,598	262,698
651,598	270,579
98گـ136	278,696
\$ 16,289,950	\$ 4,998,565

	Sayings
77 12	
	Annual
	Savings
1	NA
1	128,537
	160,294
1	245,466
1	243,709
1	241,899
	240,035
	238,116
	331,701
	329,664
	327,566
	325,406
	323,180
1	426,007 423,645
1	421,214
1	418,709
1	416,129
1	529,102
	526,365
1	523_545
1	520,642
	517,651
	641,764
	638,591
-	635,322
12	9,774,257
S	4,327,426

Assumptions		
Purchase Price	5	7,358,125
Par Amount of Bonds	\$	8,480,000
TIC		5.880%
Discount Rate		5.880%

<sup>[1]</sup> Annual O&M currently includes only utilities and junitorial services and supplies (for which the City reimburses the landlord).

<u>Items 4, 5, 6, 7, 8 and 9 -- Files 99-0125, 99-0126, 99-0127, 99-0128, 99-0129 and 99-0130</u>

Note:

These items were transferred from the Transportation and Land Use Committee at the February 8, 1999 Meeting to the Finance and Labor Committee because these items were determined to have fiscal impact.

Department:

Mayor's Office, Treasure Island Development Authority

Items:

Item 4 - File 99-0125: Resolution approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 574 of a total of 766 housing units on Treasure Island and Yerba Buena Island to be subleased to the John Stewart Company.

<u>Item 5 - File 99-0126</u>: Resolution approving and authorizing the Treasure Island Development Authority to execute a sublease, development, marketing and property management agreement with the John Stewart Company for up to 766 housing units on Treasure and Yerba Buena Islands.

<u>Item 6 - File 99-0127</u>: Resolution approving and authorizing the City to enter into i) an indemnity agreement with the John Stewart Company, and ii) a repayment agreement with the Treasure Island Development Authority.

<u>Item 7 - File 99-0128</u>: Resolution approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 86 of a total of 222 housing units on Treasure and Yerba Buena Islands to be subleased to member organizations of the Treasure Island Homeless Development Initiative.

<u>Item 8 - File 99-0129</u>: Resolution approving and authorizing the Treasure Island Development Authority to execute four subleases with member organizations of the Treasure Island Homeless Development Initiative for the first 86 of a total of 222

housing units on Treasure Island and Yerba Buena Island.

Item 9 - File 99-0130: Resolution approving and authorizing the Treasure Island Development Authority to execute a revenue sharing agreement with the Treasure Island Homeless Development Initiative (TIHDI) permitting the Authority to temporarily use of 112 TIHDI housing units on Treasure Island in connection with the John Stewart Company sublease.

### Purpose of Proposed Resolutions:

To further the conversion of Treasure Island and Yerba Buena Island to civilian reuse from its former function as a United States Naval Station.

### Subject Properties:

A total of 1,000 housing units, owned by the United States Navy and formerly part of Naval Station Treasure Island, which closed in October, 1997.

Of the 1,000 housing units, 766 will be available for the Authority to sublease to the John Stewart Company for market-rate residential leasing (574 housing units currently available from the Navy and subject of File 99-0125, and 192 housing units expected to be available after the Navy completes certain environmental remediation).

Of the 1,000 housing units, 222 housing units will be available for the Authority to sublease to the Treasure Island Homeless Development Initiative (86 currently available from the Navy and subject of File 99-0128, and 136 housing units expected to become available after the Navy completes certain environmental remediation and TIHDI programs using the housing units are in place).

Of the 1,000 housing units, 12 housing units are reserved for employees of the Delancey Street operations. The sublease to Delancey Street will be separately presented to the Authority and is not a subject of the proposed resolutions.

#### Overview:

On May 2, 1997, the Board of Supervisors authorized the creation of the Treasure Island Development Authority as a nonprofit public benefit corporation to act as a single entity focused on the planning, redevelopment,

reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island. (Resolution No. 244-97-3). On October 12, 1997, the California Legislature approved the Treasure Island Conversion Act of 1997, which designated the Authority as a trustee of the State Tidelands Trust and as a redevelopment agency with jurisdiction over Treasure Island and Yerba Buena Island.

Pursuant to the Treasure Island Conversion Act, on February 6, 1998, the Board of Supervisors authorized the Authority to act as the redevelopment agency, with all the rights, privileges, immunities, authorities, and duties granted to redevelopment agencies under State law, for the purpose of acquiring, using, operating, maintaining, converting and redeveloping former Naval Station Treasure Island (Resolution No. 43-98). Resolution No. 43-98 further authorized the Authority to act as the trustee under the Tidelands Trust.

As a redevelopment agency, the Authority must present its budget to the Board of Supervisors for approval. The Mayor selects the directors of the Authority with approval from the Board of Supervisors. Mr. Michael Cohen of the City Attorney's Office states that because the proposed resolutions concern contracts to be entered into by the Authority that exceed \$1 million, and, in some cases exceed ten years, Board of Supervisors' approval is required under Resolution 314-98.

### Items 4, 5, 6 - Files 99-0125, 99-0126, 99-0127:

Resolutions approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 574 of a total of 766 housing units on Treasure Island and Yerba Buena Island to be subleased to the John Stewart Company (Master Housing Lease) (File 99-0125); approving and authorizing the Treasure Island Development Authority to execute a sublease, development, marketing and property management agreement with the John Stewart Company for up to 766 housing units on Treasure and Yerba Buena Islands (Agreement) (File 99-0126); approving and authorizing the City to enter into i) an

> indemnity agreement with the John Stewart Company (Indemnity Agreement) and ii) a repayment agreement with the Treasure Island Development Authority (Repayment Agreement) (File 99-0127).

Subject Properties:

574 housing units initially of the 766 housing units available from the Navy for the Authority to sublease to the John Stewart Company.

Lessor:

United States Navv

Lessee:

Treasure Island Development Authority

Term of the Master Housing Lease:

The term of the Master Housing Lease between the Authority and the United States Navy is 15 years. The lease would commence after all necessary approvals are obtained.

Rent Payable to Navy None. However, the Navy charges the Authority a Under Master Housing Lease:

Owed by the Authority Common Area Maintenance Charge (Navy CAM Charge) of \$0.050 per square foot per month of interior space and \$0.003 per square foot per month of exterior space. These charges would be paid directly by the sublessees: Stewart Company and the

organizations of TIHDI.

Sublessee Under the Agreement Between Authority and the John Stewart Company:

Under the sublease, development, marketing and property management agreement between the Authority and the John Stewart Company (Agreement), the John Stewart Company would be the sublessee. Subsequently. the John Stewart Company would rent the units to residential tenants. Residential leases would be for oneyear terms, and will continue thereafter on a month-tomonth basis. Preference would be given first to certain categories of City or San Francisco Unified School District employees, university consortium members (including San Francisco State University, Golden Gate University, University of California at San Francisco, City College, and the San Francisco Art Institute), and then San Francisco and Bay Area residents generally. The Executive Summary submitted to the Clerk of the Board by Mr. Cohen explains the preference classifications.

Term of Agreement:

The term of the Agreement between the Authority and the John Stewart Company would be seven years. The lease would commence after all necessary approvals are obtained.

Rental Rates Under Agreement:

The rental rate for a 2-bedroom unit is \$1,542 per month; the rental rate of a 3-bedroom unit is \$1,782 per month; and the rental rate of a 4-bedroom unit is \$1,990 per month.

Rent Payable by the John Stewart Company to the Authority: For base rent for 766 units, the John Stewart Company would pay the Authority \$200,000 for the first year, \$400,000 per year for the second and third years, \$450,000 for the fourth year, and \$500,000 per year for the fifth, sixth, and seventh years. These base rental amounts would be adjusted annually based on the percentage changes in the Consumer Price Index (CPI). Over the seven-year term, the John Stewart Company would pay the Authority a total of \$2,950,000 million in base rent, subject to additional increases based on the CPI.

In addition to the base rent, the John Stewart Company would pay the Authority 93 percent of net revenues (after payment of operating expenses, funding of a replacement reserve, and repayment of the capital investment) from the end of the construction period (the 18<sup>th</sup> month) through the end of the fifth year, 94 percent of net revenues for the sixth year, and 95 percent of net revenues for the seventh year. The balance of the net revenues would be retained by the John Stewart Company. During the first 18 months of the Agreement only, the John Stewart Company would pay the Authority only 9.3 percent of net operating income ("special percentage rent"). During this 18-month period, the remainder of net operating income would be used to pay down construction costs as they are incurred.

The Executive Summary submitted to the Clerk of the Board with the proposed resolutions describes the base rents, the proposed percentage rents, the special percentage rent, the replacement reserves and the capital investment. Economic Planning Systems (EPS), a firm retained by the Authority to review the reasonableness of

> the fees and return on investment, estimated that the Authority would receive \$43.2 million in percentage rent revenues over the seven-year term of the Agreement.

Costs of Construction:

The John Stewart Company would pay for all the costs of the reconstruction and renovation of the units to prepare them for occupancy, which is expected to take 18 months. The Executive Summary submitted to the Clerk of the Board by Mr. Cohen describes the work to be performed and the capital budget, which includes a 12 percent. contingency and totals \$9,183,612.

Company Would Retain from Lease Revenues

Fees the John Stewart In addition to the above revenues, the John Stewart Company would retain, as a management fee, three percent of gross collections. For the first year, the management fee is expected to be \$300,000. subsequent years, the maximum amount would be \$400,000 per year.

> Additionally, the John Stewart Company would retain as a development fee ten percent of total approved development costs amortized over 48 months. Based on the estimated total construction costs of \$9.183.612 and other development-related costs, the development fee is estimated to be \$958,611, reduced by \$1,252 for each potential rentable unit or rentable unit that has been determined will not be rented.

> Furthermore, the John Stewart Company would retain as a one-time marketing fee \$175 per rented unit, or a total of \$134,050, based on 766 rented units. The Executive Summary submitted to the Clerk of the Board by Mr. Cohen describes all of these fees in greater detail.

> The John Stewart Company would obtain its fees only from gross lease revenues collected from the 766 housing The Authority has no independent payment obligation under the Agreement, expect in the case of an Authority default.

Operating Expenses:

The Navy CAM Charges would be payable to the Navy by the John Stewart Company, and are estimated to be \$756,000 annually at full occupancy.

### Description:

Under the proposed Agreement, the John Stewart Company must use good faith efforts to (1) fill 25 percent of all non-construction jobs with qualified homeless or economically disadvantaged San Francisco residents and 50 percent of all non-construction jobs with San Franciscans, generally; (2) consider qualified homeless or economically disadvantaged San Franciscans for all construction jobs; and (3) subcontract to TIHDI member organizations janitorial, grounds keeping and other services related to the premises.

The John Stewart Company would be responsible for maintenance of the 766 housing units under the Agreement.

The John Stewart Company would retain the right to terminate the Agreement if the Authority defaults on either of the following principal obligations: the Authority must (i) avoid causing the termination of the Master Housing Lease with the Navy and (ii) provide certain essential utilities to the premises.

In the event the Authority defaults on either of these two obligations, the Authority would be required to reimburse the John Stewart Company the then outstanding amount of capital investment made by the John Stewart Company.

However, the Authority currently has no real property assets. Therefore, if the Authority defaults on either of the two principal obligations, and if the Authority is unable to pay the outstanding amount in capital investment, then the City would indemnify the John Stewart Company the outstanding amount of the capital investments made by the John Stewart Company under the proposed Indemnity Agreement. In such an event, under the proposed resolution, the Authority would then reimburse the City for that payment by using future revenues from the housing units under the proposed Repayment Agreement.

Mr. Cohen estimates that the City would be exposed to no more than \$6 million in potential liability under the proposed Indemnity Agreement between the City and the

John Stewart Company. According to Mr. Cohen, this calculation is based on the maximum amount of unreimbursed costs at any single point in time, because 90 percent of net operating income during the first 18 months would be used to pay down a large percentage of the construction costs as they are incurred. According to Ms. Arbuckle, the default provisions are within the control of the Authority and the City and are highly remote

### Items 7 and 8 - Files 99-0128 and 99-0129:

Resolutions approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 86 of a total of 222 housing units on Treasure and Yerba Buena Islands to be subleased to member organizations of the Treasure Island Homeless Development Initiative (File 99-0128); approving and authorizing the Treasure Island Development Authority to execute four subleases with member organizations of the Treasure Island Homeless Development Initiative for the first 86 of a total of 222 housing units on Treasure Island and Yerba Buena Island (File 99-0129).

The Treasure Island Homeless Development Initiative (TIHDI) was established under federal base closure laws in 1994 to develop opportunities for homeless assistance through the use of certain facilities at the former Naval Station Treasure Island, and is administered by a consortium of 14 community-based non-profit organizations which are listed in Attachment I, provided by Ms. Eila Arbuckle of the Mayor's Office.

In July of 1996, the Board of Supervisors endorsed a Base Closure Homeless Assistance Agreement and the Option to Lease Real Property (collectively, the TIHDI Agreement), which permitted TIHDI to use certain housing units on Treasure Island and Yerba Buena Island for homeless San Franciscans. The TIHDI Agreement requires that TIHDI member organizations show adequate service plans prior to subleasing property. The service plan for each of the four subleasing TIHDI

member organization was submitted to the Clerk of the

Board, along with the TIHDI subleases.

Subject Properties: 86 housing units initially, while improvements are made

to prepare the remaining 136 housing units for occupancy

in FY 1999-2000.

Lessor: United States Navy. See Master Housing Lease between

the Authority and the Navy, as discussed above.

Lessee: Treasure Island Development Authority

Sublessees: The following member organizations of TIHDI would

sublease the subject housing units from the Authority: Catholic Charities (30 housing units), Haight Ashbury Free Clinics (18 housing units), Swords to Plowshares (24 housing units), and Walden House (14 housing units).

Term of Each Sublease:

Each of the subleases between the Authority and the member organizations of TIHDI is 15 years. However, according to Ms. Arbuckle, as provided in the TIHDI Agreement, these subleases can be "bought out" by the Authority from development proceeds related to such units if the premises are needed for the long-term development of Treasure Island, at \$50,000 per unit plus certain unamortized costs.

Rent Payable to Authority by Each Sublessee: None.

**Operating Costs:** 

Each subleasing TIHDI organization would pay for 100 percent of all operating costs. These operating costs consist of the costs of code and seismic upgrades and compliance with laws such as disabilities access laws; utilities fees; taxes; insurance; and other costs of operating, maintaining and repairing the leased premises. Additionally, the Navy CAM Charges would be payable to the Navy by each sublessee, and are estimated to be \$219,101 annually at full occupancy.

Description:

The program operated by Catholic Charities, a member organization of TIHDI, would provide permanent housing and support services to assist homeless families with

disabilities and is designed to help these families achieve residential, economic and personal stability.

The program operated by Haight Ashbury Free Clinics, a member organization of TIHDI, would provide supervised transitional housing and 24-hour care to adults needing medical or psychiatric care or substance abuse treatment.

The program operated by Swords to Plowshares, a member organization of TIHDI, would provide supportive transitional housing to homeless veterans for a period of up to two years while residents are given the skills and other tools necessary for a transition back to self-sufficient living.

The program operated by Walden House, a member organization of TIHDI, would provide supervised transitional housing for homeless adults to assist them in overcoming the barriers to achieving self-sufficient living.

<u>Item 9 – File 99-0130</u>:

Resolution approving and authorizing the Treasure Island Development Authority to execute a revenue sharing agreement with the Treasure Island Homeless Development Initiative regarding the temporary use of 112 housing units on Treasure and Yerba Buena Islands in connection with the John Stewart Company sublease.

Subject Property:

The 112 units of the proposed Revenue Sharing Agreement are intended for TIHDI use under the TIHDI Agreement, but the Authority is permitted to use them for market-rate residential leasing for the term of the Agreement between the Authority and the John Stewart Company. Additionally, 41 Yerba Buena Island housing units intended for TIHDI use are available to the Authority to sublease to the John Stewart Company for the term of the Agreement between the Authority and the John Stewart Company.

Description:

Under the proposed revenue sharing agreement, TIHDI would receive 40 percent of Percentage Rent paid to the Authority from net revenues generated by the subject 112 housing units on Treasure Island for the term of the Agreement between the Authority and the John Stewart Company. In addition, from Year 6 through Year 7 for

that Agreement, TIHDI would receive 50 percent of the Percentage Rent paid to the Authority from the net revenues collected from the additional 41 Yerba Buena Island housing units.

Comments:

- 1. On January 28, 1998, the Authority adopted a resolution approving and authorizing the issuance of a Request for Qualifications (RFQ) for the rehabilitation, marketing, lease and management of the housing units on Treasure Island and Yerba Buena Island. Attachment II provided by Ms. Arbuckle shows that eight firms responded to the RFQ. According to Ms. Arbuckle, the John Stewart Company was chosen because of its responsiveness to housing property management and leasing issues and their capability to bring substantial capital to the project.
  - 2. The Authority contracted with Economic & Planning Systems (EPS) to assist the Authority in developing the business terms of a contract with JSC and to review the reasonableness of the fees and return on investment to be earned by the John Stewart Company and the Authority. The Executive Summary and the Final Report of EPS in January of 1999 were submitted to the Clerk of the Board with the proposed resolutions and contain information about EPS' independent review of the projects' proposed costs and revenues, as well as proposed business terms.
  - 3. The Authority is required, subject to annual appropriations by the Board of Supervisors, to apply "net revenues generated from the use or sublease" of the housing units for property management services and improvements on Treasure Island and Yerba Buena Island

Recommendation:

Approval of the proposed resolutions is a policy matter for the Board.

# Summary of Legislation and Fiscal Impact:

The proposed resolutions would further the conversion of Treasure Island and Yerba Buena Island to civilian reuse. Currently, the Navy owns 1,000 housing units on the former naval base (Naval Station Treasure Island). Of the 1.000, the Authority would sublease 766 to the John Stewart Company under the proposed Agreement for market-rate residential leasing for one-year terms, with preferences given to certain categories of City or San Francisco Unified School District employees, members of a consortium of area universities, and then San Francisco and Bay Area residents generally. Furthermore, under four separate subleases. the Authority would sublease 222 housing units to the Treasure Island Housing Development Initiative (TIHDI) to provide housing and social services to the homeless. The remaining 12 housing units are reserved for the Delancey Street operations, but are not the subject of the proposed resolutions. Of the 766 housing units to be subleased to the John Stewart Company, 112 on Treasure Island and 41 on Yerba Buena Island are part of TIHDI's share, and TIHDI would receive a share of the lease revenues generated from them for a period of time under the proposed Revenue Sharing Agreement. The John Stewart Company was selected because of its responsiveness to housing property management and leasing issues and their capability to bring substantial capital to the project.

The Authority is required, subject to annual appropriations by the Board of Supervisors, to apply "net revenues generated from the use or sublease" of the housing units for property management services and improvements on Treasure Island and Yerba Buena Island.

The propose resolutions would have the following fiscal impacts:

### REVENUES

- Approximately \$46.2 million in revenues would be payable by the John Stewart Company to the Authority (\$2,950,000 in base rent, subject to adjustment based on the CPI, and \$43.2 million in percentage rent revenues) under the Agreement between the Authority and the John Stewart Company.
- Approximately \$14 million would be payable by John Stewart Company to the Public Utilities Commission for electricity, sewer, and other basic utilities.
- Approximately \$2.6 million in Possessory Interest Taxes would be payable by John Stewart Company to the City's General Fund.
- Under the Revenue Sharing Agreement, TIHDI would receive 40 percent of Percentage Rent paid to the Authority from the net revenues collected from leasing 112 TIHDI housing units on Treasure Island for the term of the Agreement. For the sixth and seventh years, TIHDI would receive 50 percent of Percentage Rent paid to the Authority from the net revenues collected from leasing 41 Yerba Buena Island housing units.

# COSTS and FEES

- The John Stewart Company would pay for all costs of construction, estimated to be \$9,183,612, and would obtain its fees only from gross lease revenues, estimated to total \$3,792,661 over the seven-year term of the Agreement.
- The John Stewart Company would pay the Navy \$756,000 annually for the Navy Common Area Maintenance Charge (Navy CAM Charge) based on the square footage of interior and exterior space, and the four TIHDI member organizations would pay a total of \$219,101 annually to the Navy.
- Under the proposed resolutions, costs to the City are expected to increase for police, fire, public works services and utilities for the proposed housing units on Treasure Island and Yerba Buena Island. As Attachment III provided by Ms. Arbuckle shows, the estimated annual incremental costs of fire and police services are \$1 million and \$0.5 million, respectively. However, the Authority was unable to provide the estimated cost increases to the City for public works and utilities. The Budget Analyst notes that the City's liability to the John Stewart Company under the Indemnity Agreement could be triggered if the Authority, for example, failed to provide the essential utilities for the 766 housing units under the Agreement between the Authority and John Stewart Company and the Authority failed to pay the amount in outstanding capital investments. According to Mr. Cohen, the City's exposure to liability under the Indemnity Agreement is estimated to be no more than \$6 million to the City.

# Treasure Island Homeless Development Initiative

# **TIHDI Member Agencies**

The 14 agencies who comprise the Treasure Island Homeless Development Initiative (TIHDI) bring an average of 25 years experience in serving homeless and indigent people. The aggregate value of the services they provide comes to over \$60 million annually. TIHDI agencies have developed over 2,000 housing units and have close to 700 units under development. TIHDI agencies are:

## Catholic Charities (1907)

- Established in 1907 to serve very poor and disenfranchised people
- Operates 11 emergency, transitional and residential programs providing shelter and support services to individuals and families presented with homelessness, HIV/AIDS, and domestic violence.

# Coalition on Homelessness, San Francisco (1987)

- Involves over 120 individual and representatives from over 50 organizations to participate in its issue/program oriented work groups
- Publishes the award-winning <u>Street Sheet</u>, written primarily by homeless and formerly homeless
  people and sold by homeless vendors

# Community Housing Partnership (1990)

- Acquired and rehabed 217 units of housing for homeless individuals and small families
- Utilizes its tenant population in all phases & aspects of its operation
- Provides support and employment services

### Economic Opportunity Council (1964)

- Designated by SF Board of Supervisors to organize and administer the Community Services Program
- Administers close to \$12 million annually for a wide array of services aimed at promoting self sufficiency for people living in poverty in San Francisco

# Goodwill Industries (1916)

- Employs 400 people in a three county area
- 92% of its \$11 million budget is funded through the sale of donated goods

# Haight Ashbury Free Clinics (1967)

- Nationally identified leader in substance abuse treatment
- Operates seven residential programs in addition to a wide range of health services at its clinic sites and through consortiums
- Employs 191 people and has a \$11 million annual budget

410 Palm Ave., Bidg. 1, Treasure Island, San Francisco, CA 94130 Tel: (415) 274-0311 Fax: (415) 274-0316

## HomeBase (1989)

- Provides regional and national approaches to coordinating solutions to homelessness
- Assisted community-based agencies to access surplus properties at closing military bases

# Mercy Charities Housing, California (1975)

- Completed 25 developments with over 1,400 units of affordable housing
- Has 11 projects of a total of 550 units in development
- Raised over \$100 million for completed projects development costs

# Rubicon Programs, Inc. (1973)

- Has acquired & rehabed 97 units of permanent and transitional housing for homeless and disabled people; has 94 units under development
- Has two businesses which employ disabled and homeless adults: Rubicon Building & Grounds Services (a contractor for Treasure Island) and Rubicon Bakery & Catering
- These two businesses will generate over \$3.25 million in 1995-96

# San Francisco Community Recyclers (1980)

- Handles over 500 tons of materials each month at three sites
- Operates a reused building materials exchange
- Total income for FY 94 was close to \$1 million

# San Francisco Council on Homelessness (1991)

- Secured a \$3 million HUD grant to implement the Homeless Employment Collaborative
- Provided leadership for Mayoral Committee charged with producing the San Francisco Continuum of Care Plan

### Swords to Plowshares (1974)

- Operates Northern California's only veteran-specific housing
- Provides human & legal services to 2,000 veterans a year
- Annual budget of over \$1.5 million

### Toolworks (1975)

- Provides hundreds of adults with disabilities vocational and educational training as well as permanent job placements
- Annual operating budget close to \$3.7 million

### Walden House (1970)

- Provides comprehensive services to individuals presented with substance abuse and mental health issues
- Serves over 650 individuals every day, with over 350 of those in WH residential facilities
- Annual budget over \$14 million

For more information on TIHDI call Sherry Williams at (415) 274-0311

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TREASURE ISLAND PROJECT 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 (415) 274-0660 FAX (415) 274-0299

# Request for Qualifications for Property Management Services

On January 23, 1998, the Treasure Island Development Task Force authorized the issuance of a Request for Qualifications for Property Management Services on former naval base Treasure Island. The RFQ stated that respondents could propose to provide housing property management and leasing services, or both. Eight firms responded by February 6, 1998, the designated response date. A Selection Committee comprising representatives of the Mayor's Treasure Island Project, Mayor's Office of Housing, the University Consortium, and the Treasure Island Homeless Development Initiative was established by the Task Force to review the responses. The Committee selected four respondents for interviews, and following the interviews, recommended that the Treasure Island Development Authority negotiate with the John Stewart Company for housing property management and leasing. The summary of the Selection Committee's evaluation of John Stewart Company follows:

John Stewart Company

This team showed an impressive and high degree of competency in their previous experiences and qualifications in property management and leasing. Their overall business acumen and abilities of key personnel were shown by the success of other similar projects. More importantly, they were found to be able to respond to all housing property management and leasing issues in a fast paced effective way. Their capability to bring substantial capital to the project is crucial for the required rehabilitation and operation of the housing. Overall, the unanimous top choice of the selection committee.

The Authority authorized negotiations with the John Stewart Company at its regular public meeting of February 25, 1998.

The eight companies responding to the RFQ were (the firms interviewed are printed in bold):

Clipper Cove Partners
John Stewart Company
KTB Realty Partners
LaSalle Partners/ConAm Management

Madison/Heritage LLC
Mid-Peninsula Housing Coalition
Total

Urbatec

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WILLIE LEWIS BROWN, JR.

TREASURE ISLAND PROJECT 410 AVENUE OF THE PALMS BUILDING 1, 2ND FLOOR TREASURE ISLAND SAN FRANCISCO, CA 94130 (415) 274-0660 FAX (415) 274-0299

# Projected Fiscal Impacts of TI Housing Proposal

Unlike other San Francisco development projects which generate property tax or possessory interest tax revenues to cover the costs the City incurs for providing basic public services such as Fire, Police, and Public Works, the TI Project generates possessory interest taxes and makes direct payments for basic public services. The payments for these public services historically have been funded in part by the Cooperative Agreement between the Navy and the Authority and the revenues the Authority generates from leasing TI facilities. For FY 1999, lease revenues were budgeted at \$1.8 million. The Navy funds only the cost of services to areas of the Island not leased to the Authority, and only at the level of service the Navy would provide at any closed base. These payments currently total \$4 million per year, and are anticipated to be severely reduced for federal FY 2000 (10-01-99 through 09-30-00).

The Authority projects that the costs of providing basic public services will increase throughout FY 2000 due to the proposed housing leases and the federal Job Corps' plans to increase its student population from 120 residents to 800 residents. These population increases will generate a need for additional police and fire services, at the same level of service provided to other San Francisco neighborhoods. For fire protection, TI is presently served by 1.5 fire companies at an annual cost of \$1.9 million. By the end of FY 2000, the projected TI population increases will require 2.5 companies. including one ladder truck to assure that adequate fire suppression services can be provided to the Job Corps which will house its students 4 story facilities. The TI Project Office has received an estimate of \$4.6 million per year for 2.5 fire companies, but this figure is preliminary and subject to negotiation. The annual, additional incremental cost of fire services attributable solely to serving the housing residents is estimated to be \$1 million, and the annual incremental cost of police services attributable solely to serving the housing residents is estimated to be \$0.5 million. These estimates are summarized below:

	Current	Projected	FY 2000 Increase	Attributable to
	FY 1999	FY 2000*	Housing	Job Corps
Fire	\$1.9 million	\$4.6 million	\$1 million	\$1.7 Million
Police	\$0.5 million	\$1.5 million	\$0.5 million	\$0.5 million

The current, estimated revenues the City will receive from the housing leases include \$46 million to the Treasure Island Development Authority, \$2.6 million in possessory interest taxes to the City's General Fund and \$14 million to the Public Utilities Commission.

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# Item 10 - File 99-0157

Department of Human Services (DHS) Department:

Item: Resolution authorizing a retroactive increase enrollment and service level for the CalWORKs childcare

program and extending the contract term by one year by modifying the existing contract with the Children's Council of San Francisco in the amount of \$40,894,216 to provide for an "increase in enrollment, program costs and

a number of capacity building initiatives."

Amount: Existing Contract \$13,802,435

> Proposed Modification 40,894,216 Total Modified Contract Amount \$54.696.651

Source of Funds:

Attachment I provided by Ms. Teresa Joseph of DHS contains a list of all funding sources for the \$54,696,651 contract, including total City funds of \$8,560,412 (\$3,909.518 for the proposed modification) and total State funds of \$46,136,239. According to Ms. Julie Brenman of DHS, of the \$3,909,518 in City funds needed for the proposed contract modification of \$40,894,216, only \$1,341,618 of these City funds have been appropriated by the Board of Supervisors for the current fiscal year. The remaining \$2,567,900 in City funds needed for the proposed contract modification are subject appropriation approval by the Mayor and the Board of Supervisors in the Fiscal Year 1999-2000 Budget. Further, of the \$36,984,698 in State funds needed for the proposed contract modification of \$40,894,216, only \$10,101,819 have been approved by the State for the current fiscal year. The remaining \$26,882,879 in State funds needed for the proposed contract modification are subject to appropriation approval by the State in the State's Fiscal Year 1999-2000 Budget.

The existing contract between DHS and the Children's Term of Contract: Council of San Francisco is for the two-year period from July 1, 1997 through June 30, 1999. This resolution would extend the term of the contract by one year to June 30.

2000.

# Description:

The Children's Council of San Francisco is a nonprofit organization that provides childcare support services, including resource and referral services for low-income families.

In addition to extending the term of the contract by one year, the proposed resolution would authorize a modification to the existing contract between the Department of Human Services and the Children's Council of San Francisco through an increase of 1,343 children on average per month to be served under the contract with the Children's Council, from 1,241 children on average per month. The proposed contract modification would also provide for two capacity building initiatives to (1) support the creation of 700 additional licensed childcare slots from 17,117 to 17,817 and (2) perform outreach and enrollment for specialized childcare pilot programs as described in Comment No. 1.

A capacity building initiative is a system of delivery designed to broaden the availability of childcare by increasing the number and quality of childcare slots, resources and services. This system of delivery includes providing childcare providers with technical assistance, training programs, scholarships, and developmentally appropriate toys and supplies. Each childcare slot represents one space in a childcare facility for providing a child with childcare services.

Prior to Federal Welfare Reform, the Children's Council of San Francisco provided childcare services under contract with DHS. In December 1997 the contract was modified to provide services under the California Work Opportunities and Responsibility to Kids (CalWORKs) Program. CalWORKS was established by the State as part of Federal Welfare Reform to provide assistance and childcare services to families participating in approved welfare to work activities. The modified contract consolidated the following revenue sources: CalWORKs Stages I and II, Board of Supervisors City Childcare subsidies and Family Preservation subsidies.

Ms. Joseph states that in order to continue the consolidation of revenue sources and that because the Children's Council of San Francisco is the primary provider of childcare support services to families who are moving from welfare to work, the Children's Council is qualified to continue managing the growing CalWORKs childcare service system, according to Ms. Joseph. DHS is requesting an increase of \$40,894,216 or 296 percent over the existing contract of \$13,802,435 with the Children's Council, which would result in a total modified contract amount of \$54,696,651. The existing contract was previously approved by the Board of Supervisors for two years from July 1, 1997 through June 30, 1999 (File No. 98-371). The proposed contract would be for the period January 1, 1999 through June 30, 2000, thereby extending the current contract by one year, from July 1. 1999 to June 30, 2000.

# Budget:

A summary budget for the modified contract amount of \$54,696,651 for the period from July 1, 1997 through June 30, 2000 is as follows:

Existing Contract Including
77 Positions Under Contract

Proposed Modification Including
81 Additional Contract Positions
Operating Expenses & Childcare Payments\*

TOTAL CONTRACT

\$13,802,435
\$5,784,023
\$5,784,023
\$40,894,216
\$54,696,651

Ms. Joseph has provided the budget details as shown in Attachment II, broken down by the existing contract of \$13,802,435 and the proposed contract modification of \$40,894,216 to support the above budget of \$54,696,651.

# Comments:

1. Regarding the 296 percent increase in childcare services, Ms. Joseph states this proposed increase of \$40,894,216 to the existing contract of \$13,802,435 will allow the Children's Council to:

<sup>\*</sup>According to Ms. Joseph, Childcare Payments average \$626 per month per child.

- a) serve 743 more Stage I¹ clients on average per month; from 960 on average per month in 1998 to 1,703 on average per month by June 2000;
- b) serve 298 more Stage II<sup>2</sup> clients on average per month; from 266 on average per month in 1998 to 564 on average per month by June 2000;
- spend \$80 more per Stage I client on average per month; from \$550 per client on average per month in 1998 to \$630 per client on average per month by June 2000;
- d) spend \$250 more per Stage II client on average per month, from \$750 per client on average per month to \$1,000 per client on average per month;
- e) implement several Program enhancements, including (1) increasing the accessibility to CalWORKs childcare services by implementing a childcare hotline from 7:00 a.m. to 7:00 p.m; and (2) developing a CalWORKs childcare parent information brochure;
- f) provide information to Program childcare providers to increase the quality of childcare; including (1) conducting 80 provider site visits annually, to provide technical assistance to program childcare providers by program specialists, and (2) producing two newsletters annually with childcare information for all parent participants and their childcare providers;
- g) develop and maintain community advisory boards in four targeted neighborhoods:
- h) establish two capacity building initiatives, including (1) supporting the expansion of a minimum of 700 licensed childcare slots, from 17,117 childcare slots to 17,817 childcare slots, (2) providing outreach and enrollment for specialized care pilots and early capacity realization. Specialized care pilots are pilot programs designed to provide childcare to families with unusual childcare needs, including families with

<sup>&</sup>lt;sup>1</sup> The proposed modified contract states that Stage I "begins upon the entry of a person into the CalWORKS assistance program," and that it is "the state legislated initial stage of childcare for families."

<sup>&</sup>lt;sup>2</sup> The proposed contract states that Stage II begins when "the recipient is transitioning off of aid... Childcare is available in Stage II for up to 24 months after the recipient has left aid, as long as the recipient meets income and all other requirements.

mildly ill children, emergency back-up childcare, and children with developmental delay disabilities or similar special needs. Early capacity realization is an initiative to place childcare clients in these specialized childcare pilot programs as soon as possible.

Attachment III provided by Ms. Joseph provides additional information for the above listed caseload data, program enhancements, and capacity building initiatives.

- 2. It should be noted that the 81 new contract positions which would be added under the modified contract, from 77 to 158, are all contract positions and are not City employees. All funding to continue the contract with the Children's Council of San Francisco, including General Fund monies, are subject to appropriation approval by the Board of Supervisors.
- 3. Mr. Daniel Kim of DHS does not anticipate a shortfall in funds needed for the proposed contract modification for Fiscal Year 1999-2000. However, Addendum B, Section 11.G of the proposed contract states the "Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this agreement."
- 4. According to Ms. Joseph, in January of 1999 when the State allocated a portion of the additional funding for the contract modification, the DHS authorized the Children's Council of San Francisco to begin providing the enhanced childcare services, prior to obtaining approval by the Board of Supervisors. Therefore, this proposed legislation results in the requirement for ratification of actions previously taken.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

fo: Richard Raya, Budget Analyst ?ront: Terasa Joseptı, Contract Managar

Contract Modification with Children's Council of San Francisco and Wu Yea Children's Services Revenue Sources

3udgat 7/1/97 to 8/30/99 Clly Family Preservation Clly Childcare Supp. Cily General Fund (Galn) Sub-Tolal Sub-Tolal Clly Funds Current Contract Current Contract	servation \$ supp. \$ supp. \$ \$ servation \$ \$ supp.	6 4	818,800.00 Department of Education Trustline 3,714,000.00 Dept. of Ed. Gain + Trustline 110,004.00 Dept. of Ed. Stane II		DE
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ni Contract			State/Federal Funds	%98	UM.
					\$ 13,802,435.00 2
					S
	City Funds				
1/1/99 to 6/30/00			State of California Funds		
MOCYF Prop. J		\$ 161,300.00	161,300.00 CalWORKs Single Allocation	\$ 17,627,069.00	
Gen, Fund Board	rd of Supervisors Child Care	\$ 3,000,000.00	3,000,000.00 California Dept. of Social Services Reserve	\$ 8,779,130.00	
MOCYF Quality		\$ 20,000.00	20,000.00 California Dept. of Education State Contract \$ 10,578,499.00	\$ 10,578,499.00	
Generat Fund Mo		\$ 85,000.00			
Department Gen	Department General Fund	\$ 17,500.00			
General Fund Me	General Fund Maintenance of Effort	625,718.00			
Sub-Total	69	3,800,518.00 Sub-Total	Sub-Total	\$ 36,984,698.00	
Percenlage of Contract City Funds		10%	State/Federal	%06	
					\$ 40,894,216.01
					4
					31
Contract Total		8560 412		46, 136, 23%	16, 136, 23% \$ 64,696,651.01 gg
					27

# Budget Children's Council of San Francisco, Existing Contract

Personnel	7/	1/97-5/30/99
Salaries	\$	1,431,091.00
Fringe Benefits	S	319,637.00
	Π	
Operating Expense (see detail below)	15	1,340,330.00
Total Salaries, Fringe and Operating	1	
Expense	\$	3,091,058.00
Childcare Payments	15	10,711,378.00
	T	
Total Ongoing Budget	15	13,802,436.00

Operating Expense Detail:		
Consultant Professional Services	S	460,819.00
Office and Program Supplies	S	88,875.00
Printing	\$	39,658.00
Postage	\$	41,734.00
Enterprise Zones	S	30,000.00
Travel	S	13,017.00
Staff Training	\$	25,214.00
Insurance	\$	32,859.00
Telephone	\$	56,059.00
Bank Charges/Checks	\$	5,571.00
Rent	\$	254,596.00
Utilities	S	3,490.00
Equipment Maintenance	\$	4,350.00
Audit	\$	24,275.00
Computer Maintenance	\$	22,500.00
Depreciation	\$	12,215.00
Equipment	\$	199,200.00
Indirect Costs	\$	25,697.00
Total Operating Expense	\$	1,340,330.00

<sup>\*</sup>The \$1 difference between the amount listed here and the amount in the proposed legislation is due to rounding.

Attachment II Page 2 of 2

# Budget Children's Council of San Francisco, Contract Modification

Personnel	1/	1/99-6/30/99	7/		1/1/	99 to 6/30/00
Salaries	5	1,226,560.00	\$	3,399,829.00	\$	4,626,389.00
Fringe Benefits	\$	341,337.00	\$	816,299.00	\$	1,157,636 00
	Ī					
Operating Expense (see detail below)	\$	1,335,857.00	\$	2,841,612.00	5	4,177,469.00
Total Salaries, Fringe and Operating			ĺ			
Expense	\$	2,903,754 00	S	7,057,740 00	S	9,961,494.00
Childcare Payments •	\$	8,539,683.00	S	22,393,040.00	S	30,932,723.00
Total Ongoing Budget	15	11,443,437.00	15	29,450,780 00	15	40,894,217.00

Opearing Expense Detail	1/:	1/99 - 6/30/99	7/	1/99 - 6/30/00	1/1	/99 to 6/30/00
Program Supplies	S	10,605.00	\$	5,605.00	S	16,210.00
Office and Program Supplies	\$	40,873.00	S	92,142.00	\$	133,015.00
Printing	\$	20,183.00	S	54,470 00	\$	74,653.00
Newsletter	\$	7,973.00	\$	11,175 00	S	19,148.00
Postage	\$	26,529.00	\$	71,965.00	S	98,494.00
Collaboration with Wu Yee	\$	468,337.00	\$	1,368,109.00	\$	1,836,446.00
Training and Recruitment Mini-grants	S	20,000.00	S	5,000.00	\$	25,000.00
Enrollment Projects	\$	28,000.00	\$	2,000.00	S	30,000.00
SFFDC Newsletter	S	4,500.00	S	4,500.00	\$	9,000.00
City College of S.F. Certifications	\$	64,800.00	\$	135,000.00	\$	199,800.00
Professional Development Project	\$	28,000.00	\$	24,000.00	\$	52,000.00
Local Travel	\$	4,059.00	\$	1.967.00	S	6,025.00
Staff Training and Conference	\$	14,850.00	\$	40,230.00	S	55,080.00
Provider Training & Incentives	\$	13,000.00	S	2,000.00	\$	15,000.00
Fingerprint Clearance fees	\$	18,000.00	\$	18,000.00	\$	36,000.00
Toy Lending Library	S	1,000.00	\$	1,000.00	S	2,000.00
Insurance	\$	17,412.00	\$	46,601.00	\$	64,013.00
Telephone	\$	32,269.00	\$	73,669.00	\$	105,938.00
Bank Charges	\$	1,485.00	S	3,969.00	\$	5,454.00
Rent and Utilities	\$	194,404.00	\$	459,958.00	\$	654,362.00
Equipment Maintenance	\$	6,793.00	\$	17,820.00	\$	24,613.00
Audit	\$	8,392.00	\$	22,017.00	\$	30,409.00
Computer Maintenance	\$	4,500.00	\$	11,880.00	\$	16,380.00
Software Maintenance	\$	35,000.00	\$	79,800.00	\$	114,800.00
Depreciation	\$	3,938.00	\$	9,825.00	\$	13,763.00
Telephone Equipment	S	30,000.00	\$	66,000.00	S	96,000.00
Moving	\$	33,000.00	\$	66,000.00	\$	99,000.00
Equipment for new staff	\$	197,955.00	\$	146,910.00	\$	344,865.00
Total Operating Expense	\$	1,335,857.00	\$	2,841,612.00	\$	4,177,469.00

<sup>\*</sup>Childcare Payments are payments to childcare providers for services per child per month.

<sup>\*\*</sup>The \$1 difference between the amount listed here and the amount in the proposed legislation is due to rounding.

# SERVICE OBJECTIVES:

- A. Provide child care case management services as follows:
  - Contractor will provide timely follow-up to 100% of the referrals made by the DHS Employment Specialists. Once a referral is received, the family will be provided with follow-up (as defined in II-K).
  - 2. In CalWORKs Stage I: Provide case management services to the families of a monthly average of 1,528 children served by June '99. (Average Jan. thru June)
  - 3. In CarWORKs Stage I: Provide case management services to the families of a monthly average of 1,703 children served by June '00. (Average July thru June)
  - 4. In CalWORKs Stage II: Provide case management services to the families of a monthly average of 564 children served by June '00.
  - 5. In Board of Supervisors' City Child Care subsidy program: Provide case management services to the families of a monthly average of 257 children by June '00.
  - 6. In Family Preservation and Support subsidy program: Provide child care payment services on behalf of Family Preservation subsidized families: A minimum of 60 unduplicated children will receive subsidized care payments in childcare in approved sites where Mental Health Services are available by June 30th, 2000.

# B. Program enhancements

- Contractor will implement a CalWORKs Childcare Hotline on weekdays from 7 a.m. to 7 p.m. The hotline (or CalWORKs Childcare Call-line) will provide accessibility via pager or cell phone or other technology to ensure ready accessibility for families having any problem with their child care under CalWORKs. Plan and implement a Hotline to begin operation by Feb. 15th, 1999.
- 2. Develop a CalWORKs child care parent information brochure
  - a) Draft brochure to be completed by 2/28/99.
  - b) The brochure will be published and distributed in five languages including (English, Spanish, Chinese, Vietnamese and Russian) by 4/30/99. The brochure will include families' rights and the child care services CalWORKs for which recipients are eligible.
- C. Provide information to program childcare providers to increase the quality of childcare, and meet the needs of parents and children.
  - By June 1999, conduct 80 provider site visits annually, to provide technical assistance to program child care providers by program specialists.
  - Produce two newsletters annually with child care information for all parent participants and their child care providers.
- D. With the assistance of Department, develop and maintain community advisory boards in a minimum of four (OMI, Visitation Valley, Bay View and Mission) of the six priority neighborhoods by June 30, 1999. These boards will consist of parents, FDC providers, and center providers. Advisory Boards may meet monthly and will minimally meet quarterly.
- E. CalWORKs Childcare Capacity Building:

- by supporting providers a variety of supports directly and through subcontracts:
  - a) Up to 800 hours of technical assistance to 3-4 Private Industry Council contracted child development career training programs. [Professional Development & Corinne Communications)
  - b) 90+ certified units of child development coursework and collaboration for 3-4 Private Industry Council contracted child development career training programs. [City College]
  - c) Develop a minimum of 3 classes, with translation of key training materials, of CPR/First Aid training in Cantonese, providing training to a minimum of 36 child care applicants or licensing renewals. [Wu Yee Children's Services]
  - d) Provide scholarships to approximately 40 low income, family child care applicants to assist with fees and other initial costs related to family child care start-up cost. [CCSF/Wu Yee]
  - c) Provide scholarships to approximately 12 family child care providers to attend conferences, classes or other professional development [CCSF/Wu Yee]
  - f) Provide child care for training events and job fairs and child care provider events as requested or approved by DHS. Approximately 12 events will be supported with the provision of on-site child care. (May not need to be licensed.) .[CCSF/Wu Yee]
  - g) Provide training incentives and recruitment resources in the form of tangible supplies and safety equipment to approximately 100 child care applicants. [CCSF/Wu Yee]
  - h) Provide support to child care providers by providing quality developmentally appropriate toys to a minimum of 20 providers through a toy lending library. [CCSF/Wu Yee]
  - i) Provide 600 newsletters bi-monthly to licensed family child care providers. [San Francisco Family Child Care Network]
  - j) Assist with the selection and purchase of developmentally appropriate toys and supplies for five Career Drop-in centers/child visitation centers. [CCSF/Wu Yee]
  - k) Provide fees for approximately 120 child care training applicants and 60 substitute pool applicants. [City College and Professional Development]
  - I) Complete a salary survey of providers to support capacity planning and building and to support worthy wage efforts. [Professional Development] To be completed by June 30th,
- 2. Outreach and enrollment for specialized care pilots and early capacity realization
  - a) 100% of the families subsidized through this contract who are eligible for specialized care services will be provided with outreach information regarding the programs.
  - b) Outreach and enrollment for mildly ill care.
    - (1) Outreach campaign to begin within 30 days of program implementation, as indicated DHS.
    - (2) A minimum of 450 families will be enrolled in one or more emergency back-up care programs by 6 months from program start-up.
  - c) Outreach and enrollment for emergency back-up care.

- Outreach campaign to begin within 30 days of program implementation, as indicated DHS.
- (2)A minimum of 450 families will be enrolled in one or more emergency back-up care programs by 6 months from program start-up.
- d) Outreach and enrollment for special needs care.
  - (1)Outreach campaign to begin within 60 days of program implementation, as indicated by DHS.
  - (2) A minimum of 35 children will be enrolled in the program by 6 months from program start-up.
- e) Outreach and enrollment for supports for exempt care providers.
  - (1)A minimum of 150 exempt care providers will be directly provided with training, health and safety supplies, or other tangible supports.
  - (2)A minimum of 25 license-exempt care providers will be enrolled in a License-exempt Care Support Program (to be contracted outside of this contract) by 3 months from program start-up. (Program start up date notification will be made by DHS to CCSF).



Item 11 - File 99-0183

Item:

Hearing to consider the California Community Dispute Services (CCDS) contract and program.

Description:

The California Community Dispute Services (CCDS) is a non-profit organization that provides mediation and arbitration services to all persons in San Francisco based on referrals from the District Attorney's Office, the Adult Probation Department, the Trial Courts or through direct contact by individuals. According to Mr. Thom Bateman, the Chairman of the Board and the Chief Operating Officer of CCDS, CCDS has been providing such mediation and arbitration services to the public since 1976. Mr. Bateman reports that the CCDS currently has contracts totalling \$220,400 with the City, including contracts with (1) the Adult Probation Department for \$18,000 for cases referred by the Adult Probation Department for arbitration and mediation services. (2) the Mayor's Office, through the Adult Probation Department, for \$50,000 for a Community Court project initiative, funded through a Criminal Justice grant and (3) the Trial Courts for \$152,400 to provide arbitration and mediation services for the resolution of certain types of disputes referred by the Courts, Mr. John Madden of the Controller's Office notes that the cost for the Trial Court contract is funded through a surcharge of \$3.00 on court filing fees that are paid to the Trial Courts and deposited into a Dispute Resolution Program Fund. According to Mr. Bateman, under the Trial Court contract, CCDS will provide arbitration and mediation services to approximately 1,100 cases, at an average cost of \$138.55 per case, based on the annual contract of \$152.400 for FY 1998-99. However, Mr. Bateman advises that the CCDS also provides various other services as part of this contract, such as information and referral for an additional 500 cases.

Mr. Bateman reports that in addition to such Adult Probation and Trial Court referrals and other general arbitration and mediation services, approximately 12 months ago, CCDS began receiving referrals from the District Attorney's Office of persons arrested for violation of Section 647(b) of the State Penal Code, for solicitation of prostitution and Section 315 of the State Penal Code, for residing or keeping a house of prostitution, both potential misdemeanors. Mr. Bateman notes that these referrals were based on State Penal Code 14152, which states that "The District Attorney may refer cases involving conduct which could be charged as a misdemeanor to the community conflict resolution program." State Penal Code 14151 states that the District Attorney may

establish a community conflict resolution program to provide alternative dispute resolution and that the District Attorney may contract with a private entity to provide these dispute resolution services. However, Mr. Bateman notes that a written contract was never executed between the District Attorney's Office and the CCDS to provide such services and the District Attorney's Office did not pay CCDS to provide such services.

According to Ms. Reve Bautista of the District Attorney's Office, based on a review of the case and the background criminal records of the individuals arrested, persons arrested for these misdemeanor charges related to prostitution could be referred to CCDS before the District Attorney filed charges of criminal complaint through the Trial Courts system. In those cases, the District Attorney sent a letter to the individuals arrested informing them that in lieu of filing a case with the Trial Courts, the arrested person could voluntarily contact CCDS in an attempt to resolve the case. At the same time, the District Attorney would send a copy of the Police report to CCDS regarding the referred case.

According to Mr. Bateman, a total of 456 prostitution and house of prostitution cases were referred to CCDS from the District Attorney's Office between July 1, 1998 and November 30, 1998, a period of five months. However, Mr. Bateman notes that since the CCDS program was voluntary, many arrested individuals did not contact CCDS to have their cases heard by CCDS. Mr. Bateman provided the following breakdown of these cases:

	Number of Cases Referred By District Attorney To CCDS	Number of Cases Referred by Distr t Attorney and <u>Heard by CCDS</u>
647 (b) Penal Code Cases	91	42
315 Penal Code Cases	<u>365</u>	<u>201</u>
Total	456	243

According to Mr. Bateman, during this same five-month period, a total of 1,723 cases were heard by CCDS. Therefore, these 243 prostitution solicitation and house of prostitution cases represented approximately 14 percent of CCDS caseload during this period.

# Review of Practice of Collecting Fees Supposedly Necessary to Recover Costs for SFPD Overtime Investigations

Mr. Bateman reports that he personally conducted most of the CCDS hearings for these cases pertaining to arrested individuals referred by the District Attorney. In attendance at these hearings would be the arrested individuals, usually an attorney representing the arrested persons, Mr. Bateman representative from the Police Department's Vice Squad. According to Mr. Bateman, the Police Department's representative would read the Police report and provide a breakdown of the costs that the Police Department incurred in overtime expenses related to the arrest of the individuals. Mr. Bateman reports that part of the hearing process would be to negotiate an amount that the arrested individuals would pay the Police Department for the Police Department's overtime costs. According to Mr. Bateman, there was not a standard fee to be paid to the City, but rather the amount was negotiated, based on the amount reported by the Police Department in overtime costs incurred, the number of individuals arrested and the ability to pay. In general, Mr. Bateman reports that the amount agreed to be paid by the arrested individuals was almost always less than the cost of the overtime incurred on the case by the Police Department.

# Justification for Police Department Overtime Investigations of Massage Parlors

According to Lieutenant Ray Kilroy of the Police Department, the Vice Squad of the Police Department needs to use overtime for such arrests and investigations related to prostitution and massage parlors to supplement the amount of time available to the 14 Police Inspectors assigned to the entire Vice Squad. Lieutenant Kilroy reports that in order to continue the other Vice activities at the same level, overtime is necessary when additional arrests and investigations are conducted for cases pertaining to prostitution and massage parlors.

# SFPD Collection and Accounting System for Fees

Both Mr. Bateman and Lieutenant Kilroy confirm that separate checks were to be mailed by the individuals to the Police Department, for the amount agreed to at the hearing. Lieutenant Kilroy of the Police Department reports that a total of \$26,000 was billed to these arrested individuals for the Police Department Vice

Squad's overtime for the seventeen-month period between July of 1997 through November of 1998. However, these checks were made out to the Police Department, rather than the City and County of San Francisco. Mr. Madden reports that, as of December of 1998, any such checks now being received are made out to the City and County of San Francisco, and are being deposited and credited to the City's General Fund.

Of the \$26,000 total, Lieutenant Kilroy reports that, to date, the Police Department has collected \$22,000. According to Captain Alex Fagan of the Police Department's Fiscal Division, the Vice Squad received the checks, kept the accounts and made the deposits. The Fiscal Division only received monthly statements from the City's Bank of America account regarding the total amount of the deposits and did not keep financial records regarding the fees collected from individual participants. According to Lieutenant Kilroy, if these individuals do not pay the agreed upon amounts, warrants are requested to be issued by the District Attorney for their rearrest.

Lieutenant Kilroy could not provide a breakdown of the number of hours of overtime or the costs associated with this overtime that the Police Department's Vice Squad incurred on these prostitution-related cases. Lieutenant Kilroy reports that overtime records were not separated from the entire Vice Squad, which includes not only prostitution cases, but also pimping, bookmaking, pandering, alcohol and tobacco violations, bingo, etc. Therefore, the Police Department is unable to determine how much of the costs were recovered in this program for the overtime expenses incurred. However, Lieutenant Kilroy reports that the Vice Squad is now maintaining separate overtime records and costs by type of violations.

# CCDS Collection and Accounting System for Fees

Mr. Bateman also reports that CCDS charged the arrested individuals that attended these hearings an administrative fee for CCDS' services. The initial letter to the arrested persons cited the administrative fees and requested payment by cash, cashier's check or money order payable to CCDS. In general, these CCDS administrative fees were \$250 for the 647(b) cases (solicitation of prostitution) and \$50 to \$75 for the 315 cases (residing or keeping a house of prostitution), although Mr. Bateman reports that these amounts were also negotiable. According to Mr. Bateman, CCDS collected a total of \$12,421 from these administrative fees for the

243 cases during the period from July 1, 1998 through November 30, 1998. However, Mr. Bateman cautions that these cases include all types of prostitution-related cases referred to CCDS, such as prostitution arrests due to newspaper ads and occasional street solicitation as well as from residing and keeping a house of prostitution. None of these CCDS administrative fees were paid to the City.

Mr. Bateman reports that all CCDS records related to these prostitution cases over one year old were destroyed because there is a statute of limitation of 12 months for criminal misdemeanors. Therefore, Mr. Bateman reports that he does not have data, that is over one year old, related to these cases. In addition, Mr. Bateman reports that a computer hard drive failure prevents the CCDS from generating caseload data from January through June of 1998.

According to Mr. Bateman, in lieu of paying these fees, the arrested individual generally received one of two options: (1) community service, or (2) dismissal.

# District Attorney Data Collection and Reporting Systems

Ms. Bautista reports that although the District Attorney referred these prostitution related cases to CCDS, the District Attorney did not maintain any data regarding the number of cases referred, the number of letters sent, when the letters were sent, the number of clients that did or did not take advantage of the CCDS voluntary program or any other data related to these actions. No fees were paid by the District Attorney to CCDS.

# Status of Referring Massage Parlor Arrestees to CCDS

According to Mr. Bateman and Ms. Bautista, as of December of 1998, the District Attorney's Office is no longer referring the 647(b) solicitation of prostitution or 315 residing or keeping a house of prostitution misdemeanor cases to CCDS. However, Mr. Bateman reports that prostitution cases related to massage parlors are still being referred to CCDS that involve license and permit violations, as well as other quality of life crimes, such as selling alcohol or cigarettes to minors and non-injury battery cases. Mr. Bateman reports that CCDS continues to collect their administrative fees and is now collecting the charges made by the Police Department for Police overtime expenses and CCDS is making the deposits to the City and County of San Francisco accounts directly.

According to Ms. Bautista, the bulk of the prostitution-related cases are now being referred to Standing Against Global Exploitation (SAGE), a non-profit organization that has a contract with the District Attorney's Office to provide assessment, translation, housing assistance, education courses, counseling and other support services for the arrested persons. Ms. Norma Hoteling, the Director of SAGE reports that SAGE is currently providing services to approximately 140 women per week, including Court referrals and women in the criminal justice and probation system. Ms. Hoteling reports that SAGE has a contract with the District Attorney's Office for \$89,000 for FY 1998-99. Ms. Hoteling reports that SAGE does not collect any fees from the arrested individuals.

### Comments:

- 1. In September of 1998, the Board of Supervisors approved an amendment to the City's Administrative Code to authorize the District Attorney to collect fees from participants in the First Offender Prostitution Program (Ordinance No. 289-98). Under this ordinance, the District Attorney can collect an administrative fee of up to \$500 from persons violating Penal Code Section 647(b) who are determined eligible to participate in the First Offender Prostitution Program. In accordance with this ordinance, these proceeds are used to defray the costs of administering the First Offender Prostitution Program. Ms. Bautista reports that the First Offender Program is one of the programs which SAGE has been contracted to provide.
- 2. Mr. Madden reports that the City Attorney is drafting a proposed ordinance to amend Part III, Chapter 10 of the City's Administrative Code to establish a Community Courts Dispute Resolution Fund. Under this proposed ordinance, this Community Courts Dispute Resolution Fund would receive revenues from persons charged with infractions and misdemeanors. Such monies would then be used to provide restitution or for the costs incurred by City departments responsible for public safety and the public's quality of life. Under the proposed draft ordinance, funds would be appropriated, subject to review by the Mayor's Criminal Justice Council and the Director of the Mayor's Office of Criminal Justice, without approval by the Board of Supervisors. The proposed legislation would also authorize the acceptance of all donations of gifts, grants or monies to this Fund.
- 3. On December 10, 1998, Supervisor Yee requested that the Board of Supervisors Budget Analyst and the Controller's Office inquire into the financial practices of the CCDS. Based on the information

> provided as part of this report for this hearing, the Budget Analyst reports and the Controller's Office confirms that there is insufficient caseload and financial data maintained by the District Attorney's Office, the CCDS and the Police Department, Based on a preliminary review by the Controller's Office of the financial practices of the Police Department, the Police Department no longer accepts funds directly from arrested individuals made out to the Police Department. Rather, the CCDS now accepts checks made out to the City and County of San Francisco and deposits such checks directly into the City's General Fund account. Given the lack of data, the Budget Analyst and the Controller conclude that there was not adequate documentation of these prostitutionrelated cases referred by the District Attorney to the CCDS and there was insufficient data on the money received from these specific cases in order to adequately track the funds generated from this program. As reported above, since the Police Department did not maintain separate overtime records for the time spent on specific prostitution-related cases, the Budget Analyst cannot determine the percentage of the costs of operations that were recovered by the fees paid to the City. However, as noted above, there have been significant changes to the program, including (1) that these prostitution-related cases are no longer being referred to CCDS and (2) that the District Attorney currently contracts directly with SAGE to provide services, for which SAGE does not charge an administrative fee to their clients, as CCDS had done. Despite these improvements, the Budget Analyst and the Controller recommend that the affected City departments and contractors, including the District Attorney and the Police Department, develop and maintain adequate data bases and records to permit tracking and evaluation of their clients, fees and costs

Harvey M. Rose

cc: Supervisor Yee Supervisor Bierman President Ammiano Supervisor Becerril Supervisor Brown Supervisor Katz Supervisor Kaufman Supervisor Leno Supervisor Newsom Supervisor Teng Supervisor Yaki Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakey



# City and County of San Francisco Meeting Minutes

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

Wednesday, February 24, 1999

10:00 AM

City Hall, Room 263

Members Present:

Leland Y. Yee, Tom Ammiano.

Members Absent:

Sue Bierman.

DOCHMENTS DEPT

# **Meeting Convened**

MAR 0 2 1999

The meeting convened at 10:02 a.m.

SAN FRANCISCO PUBLIC LIBRARY

# REGULAR AGENDA

# 990161 [Emergency Repair, 4th Avenue Sewer]

Resolution approving expenditure of funds for the emergency work to replace the structurally inadequate sewer on 4th Avenue from Geary Boulevard to Balboa Street - \$431,120.00. (Public Utilities Commission)

(Fiscal impact.)

1/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Andy Moran, General Manager, Public Utilities Commission; Supervisor Yee; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 990162 [Emergency Repair, Duboce Avenue Sewer]

Resolution approving expenditure of funds for the emergency work to replace the structurally inadequate sewer on Duboce Avenue from Elgin Park to Valencia Street - \$119,720.00. (Public Utilities Commission)

1/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

# 990164 [Grant - State]

Resolution authorizing the Mayor's Criminal Justice Council (MCJC) to accept and expend funds in the amount of \$771,180 from the Office of Criminal Justice Planning (OCJP), State of California, to implement a coordinated Anti-Drug Abuse Enforcement Program. (Mayor)

1/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Kimiko Burton, Executive Director, Mayor's Office of Criminal Justice. Amended on lines 2 and 19, after the word "to" insert the phrase "retroactively apply for and to".

AMENDED.

Resolution authorizing the Mayor's Criminal Justice Council (MCJC) to retroactively apply for and to accept and expend funds in the amount of \$771,180 from the Office of Criminal Justice Planning (OCJP), State of California, to implement a coordinated Anti-Drug Abuse Enforcement Program. (Mayor)

#### RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 990136 [Appropriation, Mayor's Office of Criminal Justice]

Supervisor Ammiano

Ordinance appropriating \$50,000 from the General Fund Reserve to support the Intergroup Clearinghouse organization whose mission is to provide educational materials, capacity-building and other services for the prevention of hate violence, through the Mayor's Office of Criminal Justice for fiscal year 1998-1999.

1/25/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Kimiko Burton, Executive Director, Mayor's Office of Criminal Justice; Supervisor Ammiano, Jill Tregor, Intergroup Clearinghouse; Hamid Kadir, St. Charles Elementary School Students: Daniel, Kimberly, Supervisor Yee

### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 990192 [Court Employee Compensation]

Ordinance setting schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

SUBSTITUTED by Superior Court 2 9 99, bearing new title.

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/9/99, SUBSTITUTED. Substituted by Superior Court 2/9/99, bearing new title.

2/9/99, ASSIGNED to Finance and Labor Committee. Scheduled for 2 24/99.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Alan Carlson, Chief Executive Officer, Superior Court; Ted Lakey, Deputy City Attorney. Amended on page 1, line 2, replace the word "setting" with "implementing"

#### AMENDED.

Ordinance implementing schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

### RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990193 [MOU, Superior Court -MEA]

Ordinance implementing the provisions of the Memorandum of Understanding between the Superior Court of California, County of San Francisco, and the Municipal Executives Association. (Superior Courts)

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alan Carlson, Chief Executive Office, Superior Court; Ted Lakey, Deputy City Attorney.

### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990194 [Court Employee Compensation]

Ordinance implementing the schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alan Carlson, Chief Executive Office, Superior Court; Ted Lakey, Deputy City Attorney.

### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990195 [Court Reporter Compensation]

Ordinance implementing the schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alan Carlson, Chief Executive Office, Superior Court; Ted Lakey, City Attorney. Amendment of the Whole.

### AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance implementing the economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

#### RECOMMENDED AS AMENDED by the following vote:

Aves: 2 - Yee, Ammiano

Absent: 1 - Bierman

#### [1999 Community College Bond Sale] 990197

Resolution amending Resolution 1027-97 that, among other matters, authorized and directed the sale of not to exceed \$17,000,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997), Series 1998B; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such Bonds. (Mayor)

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Laura Opsahl, Mayor's Office of Finance; Peter Goldstein, Community College District; Supervisor Yee; Ted Lakey, Deputy City Attorney. Opposed - Aaron Pesken, Friends of Columbo Building; Jeffrey Kaplan; Nancy Shanahan; Arthur Chan.

#### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

#### 990200 [1999 School Bond Sale]

Resolution amending Resolution 149-98 that, among other matters, authorized and directed the sale of not to exceed \$47,000,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - San Francisco Unified School District) Series 1998C; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such Bonds. (Mayor)

# 2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; William Coleman. Chief Financial Officer, S.F. Unified School District.; Tim Tronson, Director of Management Operations, S.F. Unified School District.

### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 990201 [1999 Zoo Bond Sale]

Resolution amending Resolution 678-98 that, among other matters, authorized and directed the sale of not to exceed \$11,000,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 1998D; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such Bonds. (Mayor)

2/3/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers. Harvey Rose, Budget Analyst, John Aikin, Zoological Society; Supervisor Yee.

### RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 982149 [Film Location Request]

Supervisor Ammiano

Hearing to consider the request submitted by Walt Disney Corporation to conduct film shoot at the Board of Supervisors Chambers during the last week of April or the second week of June.

12/21/98, RECEIVED AND ASSIGNED to Rules Committee.

1/25/99, TRANSFERRED to Rules Committee. New committee structure.

2/5/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers. Harvey Rose, Budget Analyst., Supervisor Ammiano, Rory Enke, Production Manager, Walt Disney Pictures; Tony Irons, City Architect, Gloria Young, Clerk of the Board Ted Lakey, Deputy City Attorney; Laura Spanjain, Aide to Supervisor Katz.

#### FILED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 990092 [Grand Jury Fees]

Supervisor Kaufman

Ordinance amending Administrative Code by amending Chapter 45 to increase the fees paid to grand jurors and delete obsolete provisions concerning payment of trial juror fees.

(Amends Sections 45.1, 45.2; deletes Section 45.3.)

1/19/99, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Allison Krumbein, Aide to Supervisor Kaufman; Alan Carlson, Chief Executive Officer, Super or Court, Supervisor Animiano, Hilda Bernstein, Supervisor Yee.

### CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### 981935 [Parking Facility Leases and Management Agreements]

Supervisor Newsom

Ordinance amending Administrative Code Section 17.11 to require that all leases and management agreements for parking facilities be awarded through a competitive process and that such parking facility leases and management agreements be approved by the Board of Supervisors.

(Amends Section 17.11.)

11/16/98, ASSIGNED UNDER 30 DAY RULE to Housing and Neighborhood Services Committee, expires on 12/16/1998.

1/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Yee; Supervisor Ammiano.

#### CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Animiano Absent: 1 - Bierman

### 990091 [Interdepartmental Jurisdictional Transfer]

Supervisor Bierman

Ordinance transferring jurisdiction over certain real property located at Drumm Street, between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

1/19/99, ASSIGNED to Finance and Labor Committee.

2/10/99, CONTINUED. Heard in Committee. Speakers: Eula Walters. Continued to February 24, 1999.

Continued to March 3, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano Absent: 1 - Bierman

### **ADJOURNMENT**

The meeting adjourned at 12:30 p.m.



CITY AND COUNTY



OF SAN FRANCISCO

# BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

February 19, 1999

TO:

Finance and Labor Committee

FROM:

Budget Analyst

SUBJECT: February 24, 1999 Finance and Labor Committee Meeting

DOCUMENTS DEPT.

Item 1 - File 99-0161

FEB 2 3 1999

Department: Public Utilities Commission (PUC)

Department of Public Works (DPW)

SAN FRANCISCO PUBLIC LIBRARY

Item:

Resolution approving the expenditure of funds for emergency work to replace a structurally inadequate sewer located on 4th Avenue from Geary Boulevard to

Balboa Street.

Amount:

\$431,120

Source of Funds:

FY 1997-98 PUC Repair & Replacement Fund

Description:

Mr. P.T. Law of the DPW advises that on March 27, 1998 an examination by the PUC Operation Unit determined that the existing sewer located at 4th Avenue from Geary to Balboa Street was in imminent danger of failure. Immediate replacement was required in order to protect the health, welfare, and property of the citizens of San On March 30, 1998 the PUC declared the Francisco. sewer replacement an emergency. According to Mr. Law, the sewer replacement cost was \$431,120.

Mr. Law advises that, in accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures on March 27, 1998, to acquire the necessary construction services. Mr. Law states that on April 9, 1998, the DPW awarded a contract in the amount of \$366,670 to Vargas & Esquivel/K.J. Woods, the low bidder for the sewer repair work at the 4th Avenue location. The repair work consisted of replacing the existing 8-inch, 21-inch, and 24-inch diameter sewers with 652 linear feet of 12-inch, 51 linear feet of 24-inch, and 639 linear feet of 30-inch diameter vitrified clay pipe sewers.

Budget:

The total estimated project cost is \$431,120, including \$366,470 in actual construction costs and \$64,650 for DPW engineering and construction management costs.

A summary of this budget is as follows:

Construction Contract	\$366,470
DPW Bureau of Engineering	37,650
DPW Bureau of Construction Management	27,000
Total	\$431,120

Attachment I, provided by the DPW, contains further budget details to support this \$431,120 budget. Attachment II, also provided by DPW, details the DPW Bureau of Engineering and Bureau of Construction costs.

Comments:

1. Invitations for Proposals were faxed to 10 contractors on April 3, 1998. Two quotations were received by PUC from qualified contractors on April 7, 1998. PUC reports that Vargas & Esquivel/K.J. Woods submitted the lowest quotation and was awarded the contract in the amount of \$366,120.

Contractor	Quotation
Vargas & Esquivel/K.J. Woods	\$366,670
JMB Construction Inc.	\$385,100

- 2. PUC reports that although the contract was awarded in the amount of \$366,670, the final contract cost, after adjustment for actual quantities used during construction was \$366,470 or \$200 less than the contract amount of \$366,670.
- 3. PUC reports that the repair work at the damaged sewer commenced on April 15, 1998 and was completed on June 5, 1998.
- 4. Mr. Law of the DPW advises that due to various delays in receiving expenditure documentation from the contractor, the PUC is requesting approval of this resolution approximately eight months after the construction work was completed.

Recommendation:

Approve the proposed resolution.



#### AGENDA ITEM

DEPARTMENT

Utilities Engineering Bureau

AGENDA NO

MEETING DATE January 26, 1999

#### SUMMARY OF PROPOSED ACTION:

Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-182E, "4th Avenue Emergency Sewer Replacement" and Requesting the Board of Supervisors to approve expenditure of funds for emergency work to replace the structurally inadequate sewer on 4th Avenue from Geary Boulevard to Balboa Street.

#### DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of replacing the existing 8-inch, 21-inch, and 24inch diameter sewers with 652 linear feet of 12-inch, 52 linear feet of 24-inch, and 639 linear feet of 3-inch diameter vitrified clay pipe (VCP) on crushed rock bedding; constructing 10-inch diameter VCP culverts; videotaping existing active side sewer; replacing damaged side sewers; removing existing sewers and manholes; videotaping the newly constructed main sewer; traffic routing and trench support work; pavement reconstruction, backfilling voids, and all related and incidental work on 4th Avenue from Geary Boulvard to Balboa Street.

20	·		
APPROYALS:			
DEPARTMENT! BUREAU		RINANCE	
UTILITIES SHOP.		GENERAL	
BURISAU ==		MANAGER	
COMMISSION SECRETARY			
SCHOLAGY			

Two (2) Quotations were received on April 7, 1998 as follows:

	Firm	Quote Amount	Quote Preference	Adjusted Amount(*)	Rank
1.	Vargas & Esquivel/K.J. Woods (LBE/MBE/WBE),JV San Francisco, CA 94116	\$366 <del>367.00</del> 366, 69000	10%	\$330,003.00	1
2.	JMB Construction Inc. (LBE/WBE) San Francisco, CA 94112	\$385,100.00	10%	\$346,590.00	2

(\*) For comparison of quotes after application of business enterprise preferences.

Work is of lump sum and unit bid item type.

The Engineer's Estimate for this contract was \$300,000.00. The original contract was awarded to the Contractor, Vargas & Esquivel/K. J. Woods for \$366,670.00. The final contract cost after adjustment for actual quantities used during construction is \$366,470.00.

Therefore, the cost of this project is estimated to be \$431,120.00:

Bureau of Engineering (Planning, Design, and Construction Support)	\$37,650.00
Bureau of Construction Management (Construction Inspection)	\$27,000.00
Final Construction Contract Cost	\$366,470.00
Total Project Cost	\$431,120.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the Repair & Replacement Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNR969, Job Order No. 1599N).

#### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

#### Schedule

Vargas & Esquivel and K.J. Woods Construction (Joint Venture) began the work on April 15, 1998 and completed it on June 5, 1998.

#### CONTEXT OF THIS ACTION:

In March 27, 1998, PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that the existing 8-inch, 21-inch, and 24-inch diameter sewers on 4th Avenue from Geary Boulevard to Balboa Street had collapsed sections. Sewer Operations further requested the Bureau of Engineering to prepare an Emergency Contract to replace this sewer.

Page 3 of 3

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on March 30, 1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

- 3. Resolution
- 4. Draft Board of Supervisors Resolution

Contact Person: Mr. Norman Chan Phone: 554-8355

cc: B. Lim C. Tang M. Williams T. Won C. Jacobo F. Bongolan P. Law P. Scott

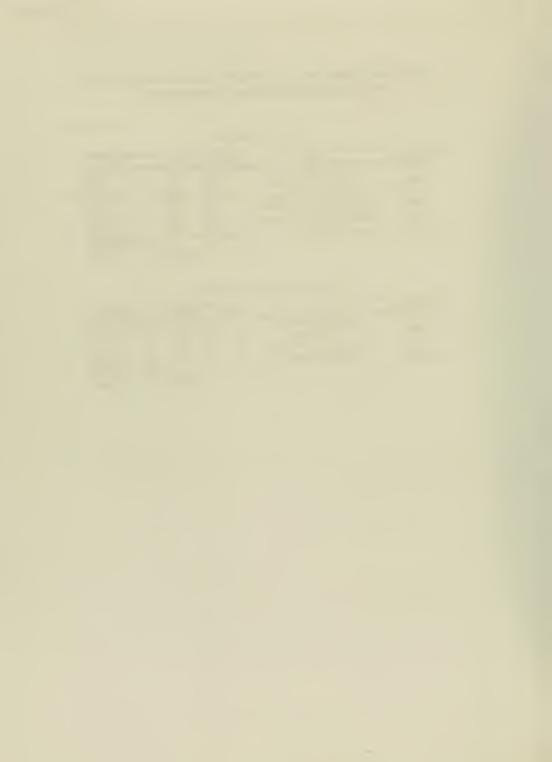
# Cost Breakdown for ( J.O. #1599N, Contract #CW-182E) 4th Ave Emergency Sewer Replacement

#### **Bureau of Engineering**

Classification	Title	R	ate	Hours	Cost
5504	Project Manager II	\$	92	18	\$ 1,656
5206	Associate Civil Engineer	\$	75	79	\$ 5,925
5202	Junior Civil Engineer	\$	50	180	\$ 9,000
5368	Civil Engineering Associate II	\$	60	246	\$ 14,760
5381	Engineering Student Trainee II	\$	33	70	\$ 2,310
1426	Secretary	\$	43	93	\$ 3,999
					\$ 37,650
				Rounded:	\$ 37.650

#### **Bureau of Construction Management**

Classification	Title	· F	late	Hours		Cost
5210	Senior Civil Engineer	\$	100	16	\$	1,600
5208	Civil Englneer	\$	80	27	\$	2,160
5204	Assistant Civil Engineer	\$	59	202	\$	11,918
6318	Construction Inspector	\$	74	153	\$	11,322
					\$	27,000
				Rounded:	•	27 000



#### <u>Item 2 - File 99-0162</u>

Department: Public Utilities Commission (PUC)

Department of Public Works (DPW)

Item: Resolution approving the expenditure of funds for

emergency work to replace a structurally inadequate sewer located on Duboce Avenue from Elgin Park to

Valencia Street.

Amount: \$119,720

Source of Funds: 1994 Sewer Revenue Bonds

Description: Mr. P.T. Law of the DPW advises that on June 24, 1998

an examination by the PUC Operation Unit determined that the existing sewer located at Duboce Avenue from Elgin Park to Valencia Street was in imminent danger of failure. Immediate replacement was required in order to protect the health, welfare, and property of the citizens of San Francisco. On June 25, 1998 the PUC declared the sewer replacement an emergency. According to Mr. Law.

the sewer replacement cost was \$119,720.

Mr. Law advises that, in accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures on June 24, 1998, to acquire the necessary construction services. Mr. Law states that on July 7, 1998, the DPW awarded a contract in the amount of \$95,850 to Darcy and Harty Pipelines, Inc., the low bidder for the sewer repair work at the Duboce Avenue location. The repair work consisted of replacing the existing 3'x5' brick sewer and 16-inch diameter sewer with 218 linear feet of 18-inch diameter vitrified clay pipe

sewer.

Budget: The total estimated project cost is \$119,720, including

\$99,070 in actual construction costs and \$20,650 for DPW

engineering and construction management costs.

A summary of this budget is as follows:

Construction contract	\$	99,070
DPW Bureau of Engineering		12,650
DPW Bureau of Construction Management	_	8.000
Total	\$	119,720

Attachment I, provided by the DPW, contains further budget details to support this \$119,720 budget. Attachment II, also provided by DPW, details the DPW Bureau of Engineering and Bureau of Construction Management costs.

#### Comments:

1. Invitations for Proposals were faxed to 15 contractors on June 30, 1998. Two quotations were received by PUC from qualified contractors on July 2, 1998. PUC reports that Darcy and Harty Pipelines Inc. submitted the lowest quotation and was awarded the contract in the amount of \$95,850.

Contractor	Quotation
Darcy and Harty Pipelines Inc.	\$ 95,850
Troy's Construction/Trinet	\$118,850

- 2. PUC reports that although the contract was awarded in the amount of \$95,850, the final contract cost, after adjustment for actual quantities used during construction and for repair to concrete slabs and sidewalk, was \$99,070 or \$3,220 more than the contract amount of \$95,850.
- 3. PUC reports that the repair work at the damaged sewer commenced on July 7, 1998 and was completed on July 24, 1998.
- 4. Mr. Law advises that due to various delays in receiving expenditure documentation from the contractor, the PUC is requesting approval of this resolution approximately six and one half months after the construction work was completed.

#### Recommendation:

Approve the proposed resolution.



#### AGENDA ITEM

DEPARTMENT:	Utilities Engineering Bureau	AGENDA NO.	
	•	MEETING DATE	January 26, 1999
CTINGLABY OF	DDODOGED ACCOUNT		

#### SUMMARY OF PROPOSED ACTION:

Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-194E, "Duboce Avenue Emergency Sewer Replacement" and Requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Duboce Avenue from Elgin Park to Valencia Street.

#### DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of replacing the existing 3'x5' brick sewer and 16-inch vitrified clay pipe (VCP) sewer with 218 linear feet of 18-inch VCP on crushed rock bedding; constructing concrete manholes; removal of existing sewers and sewer structures; videotaping the newly constructed main sewers; traffic routing and trench support work; and all related and incidental work on Duboce Avenue from Elgin Park to Valencia Street.

Two (2) Quotations were received on July 2, 1998 as follows:

	Firm	Quote	Quote Preference	Adjusted	Rank
		Amount	Preference	Amount(*)	
1.	Darcy & Harty Construction (LBE)	\$95,850.00	5%	\$91,057.50	1
	San Francisco, CA 94124				
2.	Troy's Construction/Trinet (LBE/MBE)	\$118,850.00	10%	\$106,965.00	2
	San Francisco, CA 94134				
) Fo	comparison of quotes after appli	cation of business	enterprise prefere	ences.	

DEPARTMENT / BUREAU FINANCE L'TTLITTES ENOIL CENERAL BUREAU MANAGER COMMISSION SECRETARY

Work is of lump sum and unit bid item type.

The Engineer's Estimate for this contract was \$75,000.00. The original construction contract was awarded to Darcy & Harty Construction Co. for \$95,850.00.

A change order in the amount of \$3,220.00 was issued to repair concrete slabs and sidewalk, to fill the existing void with slurry grout, and for adjustment for actual quantities used during construction.

The final contract cost came to \$99,070.00.

As shown, the cost of this project is estimated to be \$119,720.00:

Bureau of Engineering (Planning, Design, and Construction Support)	\$ 12,650.00
Bureau of Construction Management (Construction Inspection)	\$ 8,000.00
Final Construction Contract Cost	\$ 99,070.00
Total Project Cost Estimate	\$119,720.00

This project is part of the Clean Water Program's Repair and Replacement Program. Funds are available from the 1994 Sewer Bond Fund (Fund 5C/CPF/95A, FAMIS Project No. CENSR4SI41, Job Order No. 1616N).

#### Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Sewer Repair and Replacement program.

#### Schedule

Darcy & Harty Construction Co. began the work on July 7, 1998 and completed it on July 24, 1998.

#### CONTEXT OF THIS ACTION:

On June 24, 1998, PUC Sewer Operations notified the Hydraulic Engineering Section of the Bureau of Engineering that the existing 3'x5' brick sewer and 16-inch diameter sewer on the 100 block of Duboce Avenue from Elgin Park to Valencia Street had multiple cracks and were ready to collapse. Sewer Operations further requested the Bureau of Engineering to prepare an Emergency Contract to replace this sewer.

Letters informing the UEB Manager, the PUC President, the Mayor, the Controller, and the Board of Supervisors of the emergency situation were sent on June 25, 1998. The Declaration of Emergency has been signed by the President of the PUC.

The Bureau of Engineering prepared the plans and specifications for this emergency contract.

#### Attachments:

- 1. Resolution
- 2. Draft Board of Supervisors Resolution

Conta	act Person:	Mr. Norman Chan		Phone: 554-83	355
cc:	P.T. Law C. Jacobo P. Scott	M. Williams F. Bongolan	C. Tang P. Cheng	B. Lim M. Wong	

#### Cost Breakdown for (J.O. #1616N, Contract #CW-194E) **Duboce Ave Emergency Sewer Replacement**

#### Bureau of Engineering

Classification	Title	A	ate	Hours		Cost
5504	Project Manager II	S	92	6	\$	552
5206	Associate Civil Engineer	\$	75	26	\$	1,950
5202	Junior Civil Engineer	\$	50	60	\$	3,000
5366	Civil Engineering Associate II	\$	60	82	5	4,820
5381	Engineering Student Trainee II	\$	33	31	\$	1,023
1428	Secretary	\$	43	28	\$	1.204
					\$	12,549
						40.000

Rounded: \$ 12,650

#### **Bureau of Construction Management**

Classification	Title	Rate		Hours		Cost	
5210	Senior Civil Engineer	\$	100	5	\$	500	
5208	Civil Engineer	\$	80	6	\$	480	
5204	Assistant Civil Engineer	\$	59	60	\$	3,540	
6318	Construction Inspector	\$	74	47	S	3,478	
					S	7,998	
				Rounded:	\$	8,000	

7671 Post-It" Fax Note

#### Item 3 - File 99-0164

Department: Mayor's Criminal Justice Council (MCJC)

Item: Resolution authorizing the MCJC to retroactively apply

for, accept and expend funds in the amount of \$771,180 from the State's Office of Criminal Justice and Planning (OCJP), to implement the Anti-Drug Abuse Enforcement

Program.

Grant Amount: \$771,180

Grant Period: July 1, 1998 through June 30, 1999 (one year). Funds are

renewable for the following two fiscal years, based on

Federal appropriations.

Source of Funds: State of California Office of Criminal Justice Planning

Project: Anti-Drug Abuse Enforcement Program

Description: The Board of Supervisors previously authorized the

MCJC to develop an Anti-Drug Abuse Enforcement Program and stated that the Program would be developed

in a collaborative manner (File No. 90-1187).

The proposed drug abuse enforcement program was developed by the MCJC, the Police Department, the Sheriff, the District Attorney, the Public Defender, and

the Adult and Juvenile Probation Departments.

On December 8, 1998, the MCJC was awarded \$771,180 by the State's OCJP. This second resolution is required to authorize the MCJC to retroactively apply for, accept and expend these grant funds. The funds will be used to implement a comprehensive anti-drug abuse enforcement effort.

These services will be available Citywide, but will focus on heroin use in the Tenderloin and Mission districts.

Budget: A summary budget for the requested amount of \$771,180

for the 12-month period retroactive from July 1, 1998

through June 30, 1999 is as follows:

Personnel Costs	Amount
District Attorney	\$238,180
Police	147,049
Sheriff	51,000
Adult Probation	122,370
Public Defender	39,707
Juvenile Probation	37,000
Total	\$635,306
F: P 6	
Fringe Benefits	050.010
District Attorney (20.9%)	\$50,013
Police (10.8%)	15,904
Sheriff (18%)	9,180
Adult Probation (18%)	22,026
Public Defender (18%)	7,147
Juvenile Probation (0%)	0104.270
Total	\$104,270
Travel	
District Attorney	\$1,214
Police	1,630
Sheriff	1,630
Adult Probation	1,630
Public Defender	1,630
Juvenile Probation	<u>1,630</u>
Total	\$9,364
Huinghais Toot	
<u>Urinalysis Test</u> Adult Probation	000.040
Total	\$22,240
Total	\$22,240
TOTAL GRANT BUDGET	\$771,180

Attachment I contains a detailed budget for this project. According to Ms. Kimiko Burton of the MCJC, the Juvenile Probation Department will be contracting out its portion of the work, therefore no fringe benefits were allocated for the Juvenile Probation Department. Also, the budgeted travel expenses are for mandatory trainings and conferences during the grant period.

Required Match:

None.

Indirect Costs:

None.

#### Comments:

- 1. Mr. Travis Kiyota of the MCJC explains that this proposed resolution is a retroactive authorization because the MCJC applied for the grant funds prior to obtaining the Board of Supervisors approval in order to meet the State OCJP's June 29, 1998 deadline. Ms. Burton reports that some of the expenditures are also retroactive to July 1, 1998, since the program has already been implemented and expenses have been incurred, although the MCJC has not received the proposed authorization to accept and expend the funds from the Board of Supervisors, which is the subject of the proposed resolution.
- 2. In the proposed budget, most of the personnel costs are for temporary salaries. However, under the proposed grant, two new full-time permanent positions would be created: one Assessor for Juvenile Probation and one Addiction Specialist for the Public Defender.
- 3. Attachment II is a summary of the Grant Application Information Form as prepared by the MCJC. As shown in Question 11 of the Grant Application Information Form, the Juvenile Probation Department and the Office of the Public Defender intend to budget these two newly created positions for permanent ongoing funding after the grant period ends on June 30, 1999. The Budget Analyst recommends that the proposed resolution be amended to designate the two new positions as "L" or Limited-Tenure positions in order that these positions would expire with the termination of the grant.
- 4. The MCJC has prepared a Disability Access Checklist for the proposed grant funds, which is on file with the Clerk of the Board of Supervisors.
- 5. Although the proposed resolution would authorize the MCJC to retroactively apply for, accept and expend the proposed grant funds, the title of the proposed resolution does not include the retroactive apply for clause. The title of the proposed resolution should therefore be amended to include this retroactive apply for clause.

#### Recommendation:

1. Amend the title of this resolution to authorize the MCJC to retroactively apply for the proposed grant funds.

- 2. Amend the proposed resolution to designate the two new permanent positions be created under the grant as "L" or Limited-Tenure positions.
- 3. Approve the proposed resolution as amended.

### OFFICE OF CRIMINAL JUSTICE PLANNING

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	Sheriff'	Communica	\$557.05	26	(1,94)	\$13,035	
	Adult Probation	Cadet St. Iroh,	\$176.54	26	2,0	29,150	
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OCTP-A30311 (Rev. 7197)

ATTACHMENT (Page 2 of 3) Actachment 1

BUDGET	CATE	GORY AND LINE-ITEM DET	74 IV 1507	age 2 of	) Page
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Shunfi		I myet to OCIP Coeffepts	21,630		
Adult Probation		Prayel to OKIP Coeffeepee	\$1,630		
Fublic Defender		I ravel to OCTP Conference	\$1.630		
Juvenile Probation		Travel to OCIP Conference	\$1,630		
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#### **Grant Application Information Form**

A document required to accompany a proposed resolution Authorizing a Department to Accept & Expend Grant Funds

To: The Board of Supervisors		
Attn. Clerk of the Board		
The following describes the grant referred to in the accompanying resolution:		
Department: Mayor's Criminal Justice Council (MCJC)		
2. Contact Person: Travis Kiyota Telephone: (415) 554-6165		
3. Project Title: Anti Drug Abuse Enforcement Program		
4. Grant Source Agency: Governor's Office of Criminal Justice Planning		
5. Type of Funds: Federal Federal-State (Pass-Through)XX State Local		
Private		
6. Proposed (New/Continuation) Grant Project Summary:		
The Governor's Office of Criminal Justice Planning is providing support to the City and		
County of San Francisco to support the implementation of the comprehensive anti-drug		
abuse program. The program has been developed by the Mayor's Criminal Justice		
Council, the Police Chief, Sheriff, District Attorney, the Chiefs of the Adult and Juvenile		
Probation Departments, and the Public Defender.		
ব্		
7. Amount of Grant Funding Applied For: \$771,180		
8. Maximum Funding Amount Available: \$771,180		
9. Required Matching Funds? Yes: No:X /Cash or In-kind?		
If yes, list dollar amount and identify source of Matching Funds in Department Budget:		

10. Number of new positions created and funded	: (1) Assessor for Juvenile Probation, (1)
Addiction Specialist for the Public Defender.	
11. If new positions are created, explain the disp	osition of employees once the grant ends.
Departments will budget for continuation fund	ing for these positions.
_	
12. Are indirect costs eligible costs for this grant	? Yes No: X
If yes, please identify the amount of \$ in in	direct costs.
13. Amount to be spent on contractual services:	\$0
14. a.) Will contractual services be put out to bio	1? NA
,b). If so, will contract services help to further	er the goals of the department's
MBE/WBE requirements? N/A	
•	
	·
15. Is this likely to be a one-time or ongoing red	quest for contracting out? NA
16. Term of Grant: Start-Date: 7/1/98	End-Date: 6/30/99
17. Date Department Notified of Available Fund	is: 12/8/98
18.Grant Application Due Date: June 30, 1998	
19. Grant Funding Guidelines and Options (sele	cted from RFP, grant announcement or
appropriations legislation): Renewable for t	hree years contingent on Federal/State
appropriations.	
	Ţ
0. Department Head Approval: KIMIKO BUR	ION DIRECTOR, MCJC
(Name)	(Title)
Kinlo	Brie
	(Signature)



#### <u>Item 4 – File 99-0136</u>

Department: Human Rights Commission (HRC)

Mayor's Criminal Justice Council (MCJC)

Item: Supplemental appropriation ordinance in the amount of

\$50,000 from the General Fund Reserve to support the Intergroup Clearinghouse, a non-profit organization, whose mission is to provide education materials, services and staff for the prevention of hate violence, through the

Mayor's Criminal Justice Council.

Amount: \$50,000

Source of Funds: General Fund Reserve

Description: According to Mr. Don Hesse of the Human Rights

Commission, the Intergroup Clearinghouse, a non-profit organization, was established in 1979 in an effort to address the tensions and conflicts which had arisen in the City at that time among various racial and cultural

groups.

Mr. Hesse states that the Intergroup Clearinghouse currently operates the three following anti-hate violence programs: (1) the Hate Violence Assistance and Prevention Network, (2) the Legal Committee and (3) the Bias Free Schools Project. According to Mr. Hesse, the Intergroup Clearinghouse has an existing two-year contract with the Human Rights Commission in the amount of \$40,000 to provide anti-hate violence services under each of the three above-noted programs, for FY 1997-98 and FY 1998-9, at \$20,000 per fiscal year. According to Mr. Eugene Clendinen of the MCJC, the proposed \$50,000 appropriation is for a second contract, resulting in two FY 1998-99 contracts totaling \$70,000.

Attachment I provided by Ms. Jill Tregor of the Intergroup Clearinghouse describes the anti-hate violence services provided by the Intergroup Clearinghouse for each program under the existing FY 1998-99 \$20,000 contract. Mr. Hesse states that the Human Rights Commission awarded the existing contract to the Intergroup Clearinghouse on a sole source basis

because, according to Mr. Hesse, the Intergroup Clearinghouse is the only organization in San Francisco whose primary mission is to provide assistance to victims of hate violence regardless of the motivating demographic characteristics. Mr. Hesse reports that the second, subject contract would also be awarded on a sole-source basis to the Intergroup Clearinghouse because the Clearinghouse continues to be the only organization of its kind in San Francisco.

A comparison of the services provided by the Intergroup Clearinghouse under the existing \$20,000 contract with the services to be provided under the proposed \$50,000 contract to augment existing services for a total amount of \$70,000 is contained in Attachment II, provided by Ms. Tregor.

The following is a summary of the additional anti-hate violence services to be provided by the Intergroup Clearinghouse under the subject contract:

#### (1) Enhancement of the Hate Violence Prevention and Assistance Network

According to Ms. Tregor of the Intergroup Clearinghouse, under the existing HRC contract the Intergroup Clearinghouse provides technical assistance to up to six community-based organizations. This technical assistance to community-based organizations consists of a 12-hour training program designed to give community-based organizations the ability to provide anti-hate violence assistance to their clients. Under the proposed contract, these services would be provided for up to an additional 20 community-based organizations in FY 1998-99.

#### (2) Support for One Additional Hate Violence Prevention Community Organizer

Ms. Tregor states that under the current contract with HRC, the Intergroup Clearinghouse employs a .1 FTE community organizer to provide direct assistance to hate violence victims and to recruit community based organizations for anti-hate violence training. This subject request includes an additional .5 FTE community

organizer to support such recruitment and training activities.

### (3) Publication of an Annual Report on Hate Violence

The Intergroup Clearinghouse would prepare an annual report on hate violence in the City, including information provided by the Police and community groups. The purpose of this annual report would be to inform the public of all available resources for the victims of hate violence. According to Ms. Tregor, presently such an annual report is not prepared.

#### (4) Publication of Literature on Available Resources for the Victims of Hate Violence

Currently, the Intergroup Clearinghouse publishes and distributes brochures printed in Spanish, Chinese and English, and distributes wallet cards printed in English and Spanish, providing information about available resources to the victims of hate violence. According to Ms. Tregor, these brochures and wallet cards presently require updating and such information would be distributed to various City agencies, community based organizations and individuals.

#### (5) Creation of a Multilingual Voicemail System

Ms. Tregor reports that the Intergroup Clearinghouse currently maintains a voicemail system which answers in English only. Ms. Tregor further states that this English only voicemail system is a barrier to persons who cannot speak English or have limited English speaking skills. This request would fund (1) an enhancement to the voicemail system to include Cantonese and Spanish voicemail messages and (2) a contract between the Intergroup Clearinghouse and the Northern California Coalition for Immigrant Rights (NCCIR) Immigrant Assistance Line for NCCIR to provide translation services to persons who call the voicemail system and leave messages on the proposed Cantonese and Spanish lines.

Attachment III, provided by Ms. Tregor, is a letter to the Board of Supervisors which describes each of the above

programs in further detail.

Budget: Attachment IV, also provided by Intergroup

Clearinghouse, contains the budget details to support the \$20,000 existing contract in FY 1998-99 with HRC, and the budget details for the subject request of \$50,000

resulting in two contracts totaling \$70,000.

Comment: The proposed legislation designates MCJC as the contract

administrator for the additional \$50,000 contract. Mr. Clendinen reports that MCJC has not yet negotiated a final contract with the Intergroup Clearinghouse. Mr. Clendinen advises that the information regarding the Intergroup Clearinghouse's proposed budget and program objectives provided in the Attachments by Ms. Tregor would be subject to modification during the contract

negotiations.

Recommendation: Approval of the proposed ordinance is a policy matter for

the Board of Supervisors.

#### The main projects of Intergroup:

- The Hate Violence Assistance and Prevention Network was formed to address the needs of community based agencies that Intergroup has trained to take reports and provide assistance to victims of hate violence. In the past two years we have trained thirty community based organizations that provide services to populations that are particularly at-risk for hate violence. By working with organizations that are well regarded within their own communities we also address the needs of the larger communities that are affected whenever an individual act of hatred occurs.
- The Legal Committee meets regularly with the Police Department and the District

  Attorney's office to ensure that procedures for hate violence incidents and victims are handled sensitively and that cases are investigated and prosecuted aggressively. Members of the committee helped the Police Department establish its Hate Crimes Unit, and worked with the District Attorney's office to have someone specifically designated to work on hate crimes and to provide training to the Misdemeanor Crimes Unit. We successfully worked with the Chair of the State Senate's Subcommittee on Hate Violence to develop legislation that closed an important loophole in state hate crimes laws. We work with private law firms to provide probono legal assistance for victims of hate violence who want to pursue civil remedies.
  - The Bias Free Schools Project was formed in recognition of the importance of working with youth. Early education is likely the only real way to intervene and prevent the possibility of youth growing into adult perpetrators, and to protect youth who are at risk of hate violence themselves. We worked with the San Francisco Unified School District to develop a procedure for reporting incidents. The policy was the first of its type in the country.

Intergroup's "Bias Free School Plan" brings the whole school together to address bigotry on campus. Principals, teachers, parents, staff and students work to cross cultural and other barriers in order to identify and respond to hate at school. Through the development of school based "Human Relations Committees," each school is guided through the process of developing a plan to address bias on campus. We provide free training and technical assistance to teachers, students, administrators, parents, and staff who are interested in learning about conflict resolution, cultural awareness, gender, race, and other issues that affect our schools.

Attachment II

\$20,000	\$70,000
Assistance to 10 Victims of Hate	Assistance to 35 Victims of Hate
Motivated Violeno.	MotivatedViolence
Technical	Technical
Assistance/Trainir#/Presentations to 4-6	Assistance/Training/Presentations to 15-
Community Organizations	20 Community Organizations
Technical Assistante, curricula, planning	Technical Assistance, curricula, planning
for two SFUSD schools re hate violence	for six SFUSD schools re hate violence
Technical assistance and intervention	Technical assistance and intervention
strategies in at least two incidents	strategies in at least four incidents
involving inter community tensions.	involving inter community tensions.
	Work with community groups in at least
	two targeted neighborhoods-
	Bayview/Hunter's Point and Vis. Valley
	to develop community responses to inter
	group tensions and hate violence
Advocate and educate city institutions to	Advocate and educate city institutions to
ensure access for late violence victims	ensure access for hate violence victims
	Increase membership in Hate Violence
	Prevention and Assistance Network by
	20%.
Create and coordinate a Hate Violence	Hold meetings of the Hate Violence
Prevention and Assistance Network	Network at least quarterly. Provide
	update trainings to member agencies.
	Publish an annual report on Hate
	Violence in San Francisco
	Update, print and distribute wallet cards
	and brochures to fifty San Francisco sites.
	Expand voice mail system to enable
	Chinese and Spanish language hate
	violence victims
	Contract with NCCIR to provide on-site
	translations for Spanish and Chinese
	language victims of hate violence.



#### Memorandum

To:

Honorable Tom Ammiano, President

Board of Supervisors

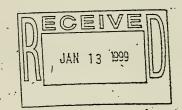
Fax: 554-6255

Rebecca Prozan
Office of the Mayor
Fax: 554-6148

From: Date: RE: Jill R. Tregor, Executive Director

December 31,1998

Request for City Funds



Intergroup Clearinghouse requests \$50,000 in City support of our unique community efforts. Intergroup Clearinghouse is the only organization in San Francisco whose primary mission is to provide assistance to victims of hate violence regardless of the motivating demographic or personal characteristics. Intergroup Clearinghouse works on behalf of all victims to develop necessary services, identify and address gaps in laws and public policy, and to advocate publicly on behalf of victims of hate motivated violence. Intergroup Clearinghouse (IC) is a 501(c)(3) that represents a wide range of communities which have come together to address their common problems—the crisis of hate motivated violence and the complex underlying issues that cause inter-community tensions.

We are asking for \$50,000 to support the following efforts:

- Build the Hate Violence Prevention and Assistance Network. Reaching out to new organizations and providing technical assistance to those we have already connected with is vitally necessary. State Propositions 187 and 209 highlighted the need to provide assistance and training to the growing numbers of immigrants, refugees, and people of color who are being targeted in the climate of hate rhetoric and behavior. There is no other organization ready to provide this service.
- Support a Community Organizer. The City's increased support will allow Intergroup Clearinghouse to pay for staff community organizing to help stimulate the growth of services for hate violence survivors in communities where nothing presently exists; to recruit and train new community based reporting/assistance agencies; and to respond more rapidly to incidents and trends as they occur.

- Publish an Annual Report on Hate Violence. We are poised for 1999 to be the year that we are able to discuss hate violence in S.F. both qualitatively and quantitatively. San Francisco can become amongst the first cities in the nation to issue a comprehensive overview of hate violence, detailing information from the police, community groups, and other sources of the extent of the problem and informing the community of available resources.
- Materials for Victims. We are in need of funds to update and distribute our brochure and wallet cards, which are printed in several languages and which provide information for victims about resources for them. The wallet card, which we originally printed in both Spanish and English, has been our most popular resource material, but now needs to be updated. It is distributed to schools, libraries, the Mayor's neighborhood offices, and community centers. The brochure was originally produced in Spanish, Chinese, and English and also requires updating. It will be distributed to community organizations, city agencies, and other locations.
- Make our voice mail system multilingual. Our voicemail system, presently only in English, is a barrier to victims who either do not speak English or have limited English speaking skills. We would like to expand the voice mail so that the message can be heard in Cantonese and Spanish as well. We would then contract by the hour with translators from the Coalition for Immigrant Rights Immigrant Assistance Line to provide language appropriate services to individuals who leave messages on the Cantonese and Spanish lines.

12925

Budget for Fiscal Year 98/99 Intergroup Clearinghouse Contract with S.F. Human Rights Commission \$20,000

reisolulei		14040
Executive Director (12 mos. x 15% @ 41,500 FTE)	6225	
Outreach/Community Organizer (12 mos. x 20% @ 16,500 .5 FTE)	6600	
Fringe (Health/Dental/Life/worker's comp/SUI/FICA)		4072
Program Supplies		180
Rent/Overhead		1125
Phone		495
Postage		90
Insurance		237
Equipment		375
Printing		76
Staff Training		93
Accounting		_432
TOT	AT.	20.000

### Requested Addition

#### \$50,000 Budget

Personnel	10,375 16,500	26,875
Outreach/Community Organizer (6 mos. x 100% @ 33,000 FTE) Fringe (at 22%)	• '	5,913 450
Program Supplies Rent/Overhead	:	4050 1238 ·
Phone Postage		225 . 1428
Insurance Equipment		938
2 Monthly MUNI bus passes Revision and reprint of brochure (3 languages)		3,000
Revision and reprint of wallet card (2 languages) Installation of voice mail response system in 3 languages and Translation Consultants with NCCIR		2463
TOI	ΓAL.	50,000



#### <u>Item 5 - File 99-0192</u>

Department:

Superior Court

Item:

Ordinance implementing schedules of compensation and other economic benefits for FY 1998-99 for certain

classifications of employees of the Superior Court.

Source of Funds:

State Trial Court Agency Fund

The City will not be liable for any costs incurred in providing the wages or other benefits set forth in the ordinance since such cost have been assumed by the State. The City continues to have the responsibility for administering health

and retirement benefits and payroll processing.

Description:

The proposed ordinance would fix compensation and other economic benefits for 15 classifications, covering a total of 25 employees in the Superior Court for the one-year period retroactive from July 1, 1998 through June 30, 1999. The proposed ordinance, which relates to employees who are not represented by an employee organization, would be adopted pursuant to California Government Code Section 69900, and would establish economic conditions of employment and the methods of employee compensation.

The Superior Court employees covered by the proposed ordinance are as follows:

Classification	Current No. of Positions
910 Claule Administration	1
210 Clerk - Administrator	1
215 Bail Commissioner	1
220 Chief Deputy	2
221 Executive Assistant	1
222 Training Officer	1
225 Calendar Coordinator	1
230 Division Chief	3
240 Court Program Analyst Manag	er 1
242 Court Computer System Direct	or 1
255 Court Commissioner	3
270 Assistant Division Chief	6
271 Drug Court Coordinator	1
275 Assistant Fiscal Officer	1
595 Fiscal Systems and Services Co	ordinator 1
650 Traffic Hearing Officer	<u>1</u>
Total	25

The major fiscal provisions regarding the above 15 classifications covering a total of 25 positions in the Superior Court are as follows:

#### Supervisory Differential Adjustment

Employees in all the classifications listed above, except Class 215 Bail Commissioner and Class 255 Court Commissioner, would continue to be eligible to request a "supervisory differential adjustment" if (1) they regularly supervise the technical content of one or more of their subordinate's work, and (2) their salary rate range is less than 5 percent over that of the employee being supervised. Application of the supervisory differential adjustment would be made at the discretion of the Chief Executive Officer of the Superior Court. The amount of such adjustment could not exceed 5 percent of the salary of the employee supervised, or 10 percent of the supervisor's current basic compensation.

#### Wage Increases

Wages of the employee classifications listed above would receive a 3 percent salary increase effective October 1, 1998, except for Classes 215 Bail Commissioner and 255 Court Commissioner

Classes 215 Bail Commissioner and 255 Court Commissioner would not receive a wage increase, because their salaries are tied to those of Superior Court judges, who received a salary increase effective July 1, 1998, according to Ms. Cheryl Martin of the Superior Court.

#### Pay for Performance

Due to the consolidation of the Trial Courts during FY 1998-99, the Superior Court is unprepared at this time to institute a Pay for Performance Program. In lieu of such a program and in addition to the above noted wage increases, MEA employees would receive an additional one time only bonus equal to 1.5 percent of total salary earned from July 1, 1997 through June 30, 1998. MEA employees must simply be employees of the Superior Court on October 1, 1998 in order to receive this additional payment. Currently, the Superior Court does not provide for such a bonus.

#### Bilingual Pay

Employees in positions designated as a "Bilingual Positions" would continue to receive an additional compensation of \$50 on a bi-weekly basis.

#### Health and Dental Care Benefits

The City, on behalf of the Court, would continue to contribute to covered employee health benefits at a level set annually in accordance with the requirements of Charter Appendix Sections A8.423 and A8.428. The current level of health care benefits, \$2,047.00 per employee on a yearly basis, will be maintained through FY 1998-99.

Employees would, in addition, continue to receive \$225.00 per month toward dependent health care benefits, retroactive to July 1, 1998, and continuing for the duration of FY 1998-99.

Employees would continue to receive the level of dental coverage for each member and family dependent provided in FY 1997-98, which is \$887.00 per employee on a yearly basis.

#### Retirement Pick-Up

For the period July 1, 1998 through June 30, 1999, the City, on behalf of the Superior Court, would continue to "pick-up"

the full employees' share of retirement contributions to the Employee Retirement System in the following percentages:

8 percent of salary for Tier I members (employees hired prior to November 1976); and

7.5 percent of salary for Tier II members (employees hired after November 1976).

#### State Disability Insurance

Upon a vote of at least 50 percent plus one of the employees of a covered classification in support of being enrolled in the State Disability Insurance (SDI) Program at the employee's cost, the Chief Executive Officer of the Superior Court would continue to take all necessary actions to enroll such employees in the SDI Program. The cost of the SDI Program would be paid by the employee through payroll deduction at a rate established by the State of California Employment Development Department.

#### Floating Holidays

Effective July 1, 1998 through June 30, 1999, employees of the classifications noted above, except for Classes 215 Bail Commissioner and 255 Court Commissioner, would continue to receive four floating holidays.

#### Executive/Administrative Leave

Each full-time employee in the positions of 210 Clerk-Administrator, 220 Chief Deputy, 221 Executive Assistant, 222 Training Officer, 225 Calendar Coordinator, 230 Division Chief and 242 Court Computer System Director would continue to receive five days of executive leave per year. Executive leave for these employees may not cashed out, but up to five days of unused leave can be carried over into subsequent years. The other positions covered by this ordinance would continue to receive administrative leave earned on a straight time basis for hours worked in excess of 40 hours per week. In no case would these employees be allowed to accrue more than 80 hours of administrative leave annually or maintain balances of more than 120 hours of administrative leave at any point in time.

### Fiscal Impact of Proposed Ordinance

As of the writing of this report, the Controller's Office has not completed an analysis of the estimated cost of this ordinance. A report from the Controller on this matter will be submitted prior to the February 24, 1999 meeting of the Finance and Labor Committee.

Comment:

According to Mr. Darren Lee of the City Attorney's Office, the proposed ordinance has been submitted over eight months after the effective approval dates of July 1, 1998, because the City Attorney's Office required additional time to study the implications of State Trial Court Funding and its impact on this ordinance, as this is the first full fiscal year of that funding.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



### <u>Item 6 – File 99-0193</u>

Department: Superior Court

Item: Ordinance implementing the provisions of a

Memorandum of Understanding (MOU) between the Municipal Executive Association (MEA) and the Superior Court for the period July 1, 1998 through September 30,

1999.

Source of Funds: State Trial Court Agency Fund

With the exception of one position under Class 588 Court Coordinator, the City will not be liable for any costs incurred in providing the wages or other benefits set forth in the MOU since such costs have been assumed by the State. The City continues to have the responsibility for administering health and retirement benefits and payroll

processing.

Description: The proposed ordinance would implement the provisions

of a MOU between the Municipal Executive Association (MEA) and the Superior Court for the 15 month period retroactive from July 1, 1998 through September 30,

1999.

The subject MOU is for the following 13 classifications,

covering a total of 40 employees.

Classifications

555 Chief Executive Officer	1
584 Assistant Executive Officer	1
585 Manager of Budget and Administration	1
588 Court Coordinator	19
590 Senior Court Assistant	3
622 Deputy Jury Commissioner	1
634 Manager of Court Operations	3
636 Division Chief	6
640 Director, FCS	1
646 Assistant Director Probate	1
647 Director, Probate	1
657 Mental Heath Coordinator	1
677 Judicial Secretary Coordinator	1
Total	40

Current No. of Positions

According to Ms. Cheryl Martin of the Superior Court, employees of all of the classifications noted above were previously not represented by an employee organization. As such, their compensation and benefits packages were determined by the Annual Salary Ordinance approved by the Board of Supervisors.

The major fiscal provisions of the proposed ordinance apply to all employee classifications except Class 620 Court Commissioner. These fiscal provisions are summarized as follows:

# Wage Increases

Wages for the MEA employees in all of the above noted classifications would receive a 3 percent salary increase effective October 1, 1998.

## Pay for Performance

Due to the consolidation of the Trial Courts during FY 1998-99, the Superior Court is unprepared at this time to institute a Pay for Performance Program. In lieu of such a program and in addition to the above noted wage increases, MEA employees would receive an additional one time only bonus equal to 1.5 percent of total salary earned from July 1, 1997 through June 30, 1998. MEA employees must simply be employees of the Superior

Court on October 1, 1998 in order to receive this additional payment. Currently, the Superior Court does not provide for such a bonus.

### Supervisory Differential Adjustment

MEA employees would continue to be eligible to request a "supervisory differential adjustment" if (1) they regularly supervise the technical content of one or more of their subordinate's work, and (2) their salary range is less than 5 percent over that of the employee being supervised. Application of the supervisory differential adjustment would be made at the discretion of the Chief Executive Officer of the Superior Court. The amount of such adjustment could not exceed 5 percent of the salary of the employee supervised, or 10 percent of the supervisor's current basic compensation.

#### Executive/Administrative Leave

MEA employees in the classifications of 550 Chief Executive Officer, 583 Assistant County Clerk, 584 Assistant Executive Officer, 585 Manager of Budget and Administration would continue to receive five days of executive leave per year. Executive leave for these employees may not cashed out or carried over into subsequent years. The remaining above-noted MEA employees would continue to receive administrative leave earned on a straight time basis for hours worked in excess of 40 hours per week. In no case would these employees be allowed to accrue more than 80 hours of administrative leave annually or maintain balances of more than 120 hours of administrative leave at any point in time.

### State Disability Insurance

Upon a vote of at least 50 percent plus one of the employees of a covered classification in support of being enrolled in the State Disability Insurance (SDI) Program at the employee's cost, the Chief Executive Officer of the Superior Court would continue to take any necessary actions to enroll such employees in the SDI Program. The cost of the SDI Program would be paid by the employee through payroll deduction at a rate established by the State of California Employment Development Department.

#### Health Care Benefits

For the period October 1, 1998 through June 30, 1999, the City, on behalf of the Super Court, would continue to contribute \$225 per month for employees' representation in the Management Compensation Package. The elements of this package include dependent health care, disability insurance, term life insurance and accident insurance.

#### Retirement Pick-Up

For the period July 1, 1998 through June 30, 1999, the City, on behalf of the Superior Court, would continue to "pick-up" the full employees' share of retirement contributions to the Employee Retirement System (ERS) and the Public Employee Retirement System (PERS) in the following percentages:

- 8 percent of salary for ERS Tier I members (employees hired prior to November 1976); and
- 7.5 percent of salary for ERS Tier II members (employees hired after November 1976).
- 5 percent of salary for PERS miscellaneous members
- 8 percent of salary for PERS Public Safety members (employees hired prior to 1978); and
- 7.5 percent of salary for PERS Public Safety members (employees hired after 1978)

# Fiscal Impact of MOU

As of the writing of this report, the Controller's Office has not completed an analysis of the estimated cost of this ordinance. A report from the Controller on this matter will be submitted prior to the February 24, 1999 meeting of the Finance and Labor Committee.

#### Comment:

According to Mr. Darren Lee of the City Attorney's Office, the proposed ordinance has been submitted over eight months after the effective approval dates of July 1, 1998, because the City Attorney's Office required additional

> time to study the implications of State Trial Court Funding and its impact on this ordinance, as this is the first full fiscal year of that funding.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



#### Item 7 - File 99-0194

Department:

Superior Court

Item:

Ordinance implementing schedules of compensation and other economic benefits for FY 1998-99 for certain classifications of employees of the Superior Court.

Source of Funds:

State Trial Court Agency Fund

With the exception of two positions, one in Class 260 Legal Advisor and one in Class 676 Research Assistant, the City will not be liable for any costs incurred in providing the wages or other benefits set forth in the ordinance since such costs have been assumed by the State. The City continues to have the responsibility for administering health and retirement benefits and payroll processing.

Description:

The proposed ordinance would fix compensation and other economic benefits for 20 classifications, covering a total of 59 employees of the Superior Court for the one-year period retroactive from July 1, 1998 through June 30, 1999. The proposed ordinance, which relates to employees who are not represented by an employee organization, would be adopted pursuant to California Government Code Section 69900, and would establish economic conditions of employment and the methods of employee compensation.

The proposed ordinance includes the following provisions for all employees in all 20 classifications.

# Supervisory Differential Adjustment

Employees would continue to be eligible to request a "supervisory differential adjustment" if (1) they regularly supervise the technical content of one or more of their subordinate's work, and (2) their salary rate range is less than 5 percent over that of the employee being supervised. Application of the supervisory differential adjustment would be made at the discretion of the Chief Executive Officer of the Superior Court. The amount of such adjustment could not exceed 5 percent of the salary of the employee supervised, or 10 percent of the supervisor's current basic compensation.

#### Health and Dental Care Benefits

The City, on behalf of the Court, will continue to contribute to covered employee health benefits at a level set annually in accordance with the requirements of Charter Appendix Sections A8.423 and A8.428. The current level of health care benefits, \$2,047.00 per employee on a yearly basis, will be maintained through FY 1998-99.

Employees would, in addition, continue to receive \$225.00 per month toward dependent health care benefits, retroactive to July 1, 1998, and continuing for the duration of FY 1998-99.

Employees would continue to receive the level of dental coverage for each member and family dependent provided in FY 1997-98, which is \$887.00 per employee on a yearly basis.

The major fiscal provisions of the proposed ordinance are summarized for each group of classifications as follows:

#### **Legal Positions**

The Superior Court positions covered by the provisions related to this group of classifications are:

Classification	Current No. of Positions
174 Staff Attorney	5
175 Senior Criminal Research Atte	orney 2
260 Legal Advisor	3
360 Legal Research Attorney	2
676 Research Assistant	<u>12</u>
Total	24

The proposed ordinance includes the following provision for the above-noted positions.

### Wage Increases

Wages of the employee classifications listed above would receive a 2 percent salary increase on July 1, 1998, and an additional 1.5 percent increase on December 26, 1998.

The proposed ordinance also includes the following provisions for the above-noted positions with the exception of the Class 676 Research Assistant.

#### Administrative Leave

Each full-time employee in the above noted classifications would continue to receive five days of administrative leave per year. These employees would not be eligible to receive compensatory time off.

#### Bar Dues

Each full-time employee, who has worked for the Superior Court for more than one year as of January 15, 1999, would be reimbursed for the full amount of the annual California State Bar dues, which are currently \$250 per year. The \$250 represents an increase of \$173 from the \$77 amount provided for in FY 1997-98.

### Flexible Benefit Allowance

Effective July 1, 1998, the City, on behalf of the Superior Court, would continue, at the employee's option, either to contribute \$225 per month to each employee participating in the City's 125 Cafeteria Plan or to pay \$210 per month to each employee who elects to receive a direct payment for individual benefit options.

# Life Insurance

The City, on behalf of the Superior Court, would continue to provide life insurance in the amount of \$125,000 to each employee or make such life insurance available to each employee through the City's 125 Cafeteria Plan.

### Retirement Pick-Up

For the period July 1, 1998 through June 30, 1999, the City, on behalf of the Superior Court, would continue to "pick-up" the full employees' share of retirement contributions to the Employee Retirement System in the following percentages:

8 percent of salary for Tier I members (employees hired prior to November 1976); and

7.5 percent of salary for Tier II members (employees hired after November 1976).

#### Merit Pav

In addition to the wage increases set forth above, employees, in Step 4 of Class 174, Staff Attorney and Class 175 Senior Criminal Research Attorney with one year of experience at Step 4, would continue to be eligible for an additional wage increase of 2.5 percent above the maximum Step 4 Rate. This 2.5 percent wage increase would be granted annually based upon consideration of length of service and outstanding performance as determined by the Chief Executive Officer of the Superior Court.

### Management Information Positions

The Superior Court positions covered by the provisions related to this group of classifications are as follows:

Classification	Current No. of Positions
243 Traffic System Programmer	2
244 Court Traffic Senior Application	on
Programmer	1
246 Court Application Programme	r 1
248 Court Technical Writer	2
273 Assistant System Coordinator	1
278 Assistant System Manager	1
811 MIS Specialist I	2
818 MIS Specialist II	1
819 MIS Specialist III	4
821 Computer Coordinator	<u>1</u>
Total	16

> The proposed ordinance includes the following provisions for the above-noted positions.

#### Wage Increases

Wages of the employee classifications listed above would receive a 2 percent salary increase on July 1, 1998, and an additional 1.5 percent increase on December 26, 1998.

#### Compensatory Time Off

Employees in the above-noted classifications would continue to receive compensatory time off for hours worked in excess of 40 hours per week. Compensatory time off would be earned at a rate of time and one-half.

# Retirement Pick-Up

For the period July 1, 1998 through June 30, 1999, the City, on behalf of the Superior Court, would continue to "pick-up" the full employees' share of retirement contributions to the Employee Retirement System in the following percentages:

8 percent of salary for Tier I members (employees hired prior to November 1976); and

7.5 percent of salary for Tier II members (employees hired after November 1976).

### Other Positions

The other Superior Court positions covered by this ordinance are as follows:

Classification	Current No. of Positions
592 Payroll/Personnel Director 648 Court Investigator 649 Probate Examiner 655 FCS Counselor 678 Executive Secretary	2 5 3 7 2
Total	19

> The proposed ordinance includes the following provisions for the above-noted positions.

### Wage Increases

Wages of the employee classifications listed above would receive a 1.75 percent salary increase on July 1, 1998, and an additional 1.5 percent increase on December 26, 1998.

### Retirement Pick-Up

For the period July 1, 1998 through June 30, 1999, the City, on behalf of the Superior Court, would continue to "pick-up" the full employees' share of retirement contributions to the Employee Retirement System in the following percentages:

8 percent of salary for Tier I members (employees hired prior to November 1976); and

7.5 percent of salary for Tier II members (employees hired after November 1976).

### Overtime Pay or Compensatory Time

If the employees of the above-noted classifications work in excess of 40 hours per week, these employees would continue to receive cash overtime at time and one-half unless an employee requests compensatory time off in lieu of cash payments.

## Word Processing Premium

Employees who have received a word processing premium continuously from FY 1994-95 to the present would continue to receive a \$0.91 per hour premium, which is the same rate as FY 1997-98.

# Fiscal Impact of Proposed Ordinance

As of the writing of this report, the Controller's Office has not completed an analysis of the estimated cost of this ordinance. A report from the Controller on this matter will be submitted prior to the February 24, 1999 meeting of the Finance and Labor Committee.

#### Comment:

According to Mr. David Greenburg of the City Attorney's Office, the proposed ordinance has been submitted over eight months after the effective approval dates of July 1, 1998,

> because the City Attorney's Office required additional time to study the implications of State Trial Court Funding and its impact on this ordinance, as this is the first full fiscal year of that funding.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



#### Item 8 - File 99-0195

Department:

Superior Court.

Item:

Ordinance implementing schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California,

County of San Francisco.

Source of Funds:

State Trial Court Agency Fund

With the exception of one position under Class 710 Court Reporter, the City will not be liable for any costs incurred in providing the wages and other benefits set forth in the ordinance since such costs have been assumed by the State (see Comment No. 1). The City continues to have responsibility for administering health and retirement benefits and payroll processing.

Description:

The proposed ordinance, which has been approved by a majority of the judges of the Superior Court pursuant to Government Code Section 69900, establishes certain pay premiums and employee benefits for the one-year period retroactive from July 1, 1998, through June 30, 1999, for the following two classifications, covering approximately 58 Superior Court employees:

Classification	Current No. of Filled Positions
0350 Court Reporter	20
0710 Court Reporter	<u>38</u>
Total	58

The major fiscal provisions of the proposed ordinance are summarized as follows:

#### Holidays

Under the proposed ordinance, covered employees will receive four floating holidays annually, effective January 1, 1999. This is an increase of two floating holidays over FY 1997-98. Henceforth, floating holidays will be granted and used on a calendar year basis.

#### Health and Dental Care Benefits

Under the proposed ordinance, the City, on behalf of the Court, will continue to contribute to covered employee health benefits at a level set annually in accordance with the requirements of Charter Appendix Sections A8.423 and A8.428. The current level of health care benefits, \$2,047.00 per employee on a yearly basis, will be maintained through FY 1998-99.

Under the proposed ordinance, employees will, in addition, continue to receive \$225.00 per month toward dependent health care benefits, retroactive to July 1, 1998, and continuing for the duration of FY 1998-99.

Under the proposed ordinance, employees will continue to receive the level of dental coverage for each member and family dependent provided in FY 1997-98, which is \$887.00 per employee on a yearly basis.

#### Retirement Pick-Up

Under the proposed ordinance, for the period of July 1, 1998, through June 30, 1999, the City will continue to "pick-up" the full employees' share of retirement contributions to the Employee Retirement System (ERS) in the following percentages:

8 percent of salary for Tier I members (employees hired prior to November 1976); and

7.5 percent of salary for Tier II members (employees hired after November 1976).

### Long Term Disability

Under the proposed ordinance, the City will, on behalf of the Court, continue to provide to employees with six months continuous service, a Long Term Disability Plan that provides 60 percent of salary up to age 65 for employees with a long-term disability.

## Real Time Reporting Compensation

Under the proposed ordinance, any covered employee who has received "real time" certification (certification to perform instant, computer-aided transcription) and who is certified by his/her judge to be regularly required to provide, and does provide, "real time" reporting as a matter of course will continue to be paid a premium of 2.75 percent of his or her bi-weekly gross pay.

#### Bilingual or Sign Language Compensation

Under the proposed ordinance, covered employees assigned to a designated bilingual or sign language position will continue to be granted an additional compensation of \$50 bi-weekly.

### Fiscal Impact of Proposed Ordinance

As of the writing of this report, the Controller's Office has not completed an analysis of the estimated cost of this ordinance. A report from the Controller on this matter will be submitted prior to the February 24, 1999, meeting of the Finance and Labor Committee.

#### Comments:

- 1. According to Ms. Cheryl Martin of the Superior Court, provisions providing for funding by the City for one position under Class 710 Court Reporter were inadvertently omitted from the proposed ordinance. Therefore, the proposed ordinance should be amended to allow for this position to be funded by the City budget.
- 2. According to Mr. David Greenburg of the City Attorney's Office, the proposed ordinance has been submitted over eight months after the effective approval dates of July 1, 1998, because the City Attorney's Office required additional time to study the implications of State Trial Court Funding and its impact on this ordinance, as this is the first full fiscal year of that funding.
- 3. Although salary increases are not covered by the proposed ordinance, pursuant to Section 70050.5 of the State Government Code, the salaries of court reporters employed by the Superior Court are tied to those of Court

Reporters in the County of Los Angeles. The court reporters will receive salary increases totaling 13 percent over the three years covered by an Agreement with the County of Los Angeles, according to the following schedule:

Date	Salary Increase
7/1/98	2%
1/1/99	3%
7/1/99	2%
1/1/00	2%
7/1/00	2%
1/1/01	_2%
Total	13%

In addition, the Court Reporters may receive an additional increase of up to one percent, effective January 1, 2000, if the Consumer Price Index for the twelve-month period ending September 30, 1999, exceeds three percent.

#### Recommendation:

1. In accordance with Comment No. 1 above, amend the proposed ordinance by adding the following language to line 19 of page one of the proposed ordinance (at the end of paragraph III):

"This paragraph shall not apply to the payment of wages and benefits for those positions covered by this ordinance which are specifically authorized and funded by the City budget."

2. Approval of the proposed ordinance as amended is a policy decision for the Board of Supervisors.

Items 9, 10 and 11 - Files 99-0197, 99-0200 and 99-0201

Department:

Mayor's Office of Public Finance

Items:

File 99-0197: Resolution amending prior Resolution No. 1027-97 that, among other matters, authorized and directed the sale of not to exceed \$17,000,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997-San Francisco Community College District), Series 1998B; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such bonds.

File 99-0200: Resolution amending prior Resolution No. 149-98 that, among other matters, authorized and directed the sale of not to exceed \$47,000,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997- San Francisco Unified School District), Series 1998C; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such bonds.

File 99-0201: Resolution amending prior Resolution No. 678-98 that, among other matters, authorized and directed the sale of not to exceed \$11,000,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 1998D; by changing the maximum dollar amount authorized and directed to be sold; and by extending the final maturity date for such bonds.

Description:

On June 3, 1997, the San Francisco voters approved the issuance of (1) \$140 million in General Obligation Bonds to fund the acquisition, construction and/or reconstruction of educational facilities including \$50 million for the Community College District and \$90 million for the San Francisco Unified School District and (2) \$48 million in General Obligation Bonds to fund the acquisition, construction and/or reconstruction of facilities for the San Francisco Zoo. On November 10, 1997, the Board of Supervisors approved the issuance of an initial series of bonds for the

Community College District in an amount not to exceed \$17 million (Resolution No. 1027-97). On March 2, 1998, the Board of Supervisors approved the issuance of an initial series of bonds for the San Francisco Unified School District in an amount not to exceed \$47 million (Resolution No. 149-98). On August 17, 1998, the Board of Supervisors approved the issuance of an initial series of bonds for the San Francisco Zoo in an amount not to exceed \$11 million (Resolution No. 678-98).

The proposed resolutions would authorize an increase in the amount of these initial authorizations and extend the maturity dates of these General Obligation Bonds previously approved by the Board of Supervisors for the Community College District, the San Francisco Unified School District and the San Francisco Zoo. Under the proposed resolution (File 99-0197), the initial issuance authorization for the Community College District would increase from an amount not to exceed \$17 million to an amount not to exceed \$23 million, an increase of \$6 million, or 35 percent. Under the proposed resolution (File 99-0200), the initial issuance authorization for the San Francisco Unified School District would increase from an amount not to exceed \$47 million to an amount not to exceed \$64 million, an increase of \$17 million, or 36 percent. Under the proposed resolution (File 99-0201), the initial issuance authorization for the San Francisco Zoo would increase from an amount not to exceed \$11 million to an amount not to exceed \$18 million, an increase of \$7 million, or 64 percent. Under all three proposed resolutions, the final maturity date would be extended from June 30, 2025 to June 30, 2026, one additional year.

Budget:

# Community College District (File 99-0197)

Project Fund	\$21,000,000
Costs of Issuance	120,000
Underwriter's Discount	160.000
Total	\$21,280,000

Proceeds from this bond sale would be used to acquire property to be used for campuses for the Community College District in the Chinatown and the Mission districts, health and safety upgrades, renovation projects and technology and electrical upgrades. Attachment 1 provided by the Community College District provides a detailed breakdown of the project expenditures of \$11,231,239 that have been incurred through February 18, 1999 and the projected costs of \$9,081,986 that are estimated to be incurred over approximately the next year, for a total estimated project cost of \$20,313,225.

### San Francisco Unified School District (File 99-0200)

Project Fund	\$60,287,000
Costs of Issuance	120,000
Underwriter's Discount	458,000
Total	\$60,865,000

Proceeds from this bond sale would be used for new school construction at six sites, modernization of high school and middle school science laboratories, upgrades of the Children's Center and technology and electrical infrastructure. Attachment 2 provided by the Unified School District provides a detailed breakdown of the project costs of \$60,287,000.

## San Francisco Zoo (File 99-0201)

Project Fund	\$16,780,000
Costs of Issuance	120,000
Underwriter's Discount	130.000
Total	\$17,030,000

Proceeds from this bond sale would be used for design costs for a new Entry to the Zoo, including a new Zoo Street and the Madagascar and Africa exhibits, and for design and construction costs for the Educational Facility, Animal Resource Center, Zoo Support Facilities, Administration Facilities, Children's Zoo, Quarantine and Holding Facilities, Public Art Program, and repair and replacement costs. Attachment 3 provided by the San Francisco

Zoo provides a detailed breakdown of the project costs of \$16,780,000.

#### Comments:

- 1. According to Ms. Laura Opsahl of the Mayor's Office of Public Finance, these bonds were originally anticipated to be issued during the Spring of 1998. However, Mr. David Sanchez of the City Attorney's Office reports that because of litigation pending on the San Francisco 49er Stadium Bonds (Proposition D) which were placed on the same June 3, 1997 ballot, bond counsel will not issue a final opinion that the Community College District bonds, the Unified School District bonds and the Zoo bonds are valid. Therefore, the issuance of the bonds for the Community College and Unified School Districts and the Zoo have been delayed.
- 2. Mr. Sanchez reports that, if the proposed resolutions are approved, the City will file a validation action with the Courts. This validation action would establish the validity of the Community College District, Unified School District and Zoo bonds to be issued. According to Mr. Sanchez, the bonds could be sold 30 days after the judgement by the Court, which is expected to take 60 days from the date the validation action is filed. Mr. Sanchez notes that the proposed legislation, which authorizes the selling of the bonds, is required to file the proposed validation action with the Court.
- 3. As a result of the delay in the issuance of the bonds, Ms Opsahl reports that each of the entities has requested additional bond funds be issued to cover their project costs for an additional year, or through the Spring of 2000. Ms. Opsahl reports that she anticipates the issuance of these bonds to occur during the Spring or Summer of 1999, approximately one year later than originally anticipated. Ms. Opsahl notes that to provide for the possibility of further delays in the issuance of the bonds, the Mayor's Office has included a contingency of approximately five to eight percent

> over the amount of project funds requested for each of the three bond issuances in the proposed request.

- 4. As contained in the proposed resolutions, all of the bonds would be sold at an interest rate not to exceed 12 percent per year. Given current market conditions, Ms. Opsahl estimates that (1) the bonds will have a final maturity date of 2019, or 20 years, (2) the overall effective interest rate on these bonds will be approximately 5.846 percent and (3) the average interest rate will be 5.811 percent over the 20-year term.
- 5. Given Ms. Opsahl's estimated interest rates. Ms. Opsahl reports that the Community College District proposed bond sale of \$21,280,000 would result in total debt service of approximately \$36.626.602 over the life of the bonds. Over the 20year life of the bonds, the average debt service payment per year for these Community College District Bonds would be \$1,820,207. The San Francisco Unified School District's proposed bond sale of \$60,865,000 would result in total debt service of approximately \$104,746,597 over the life of the bonds. Over the 20-year life of the bonds, the average debt service payment per year for these San Francisco Unified School District Bonds would be \$5,205,518. The San Francisco Zoo's proposed bond sale of \$17,030,000 would result in total debt service of approximately \$29,306,644 over the life of the bonds. Over the 20-year life of the bonds, the average debt service payment per year for these San Francisco Zoo Bonds would be \$1,456,431.
- 6. According to Mr. John Madden of the Controller's Office, the proposed total General Obligation Bond sale of \$105,000,000 (\$23,000,000 for the Community College District, \$64,000,000 for the Unified School District and \$18,000,000 for the Zoo) would result in an increase in the Property Tax rate of approximately \$.0149. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$59 in additional Property Taxes annually due to the issuance of these bonds.

7. All future expenditure appropriations from the three proposed bond sales, including the bond issuance costs, would be subject to separate appropriation approval by the Board of Supervisors.

Recommendation:

Approve the proposed resolutions.

HUMINISTRATION

413 241 2344 F.01

#### GENERAL OBLIGATION BOND PROJECT EXPENDITURES AS OF 2/18/99

	Diam's		3			Unit 1980		23
	FERM		-mail	estativiese		Ostro-horis		
ond Projects:								
Health and Safety								
Phelan:								
B600-Replacement Fac	\$	61,946			\$	563,730	\$	625,67
Conlan Hall	\$	14,477			\$	47,405	\$	61,88
Library					\$	63,548	\$	63,54
Creative Arts					\$	45,682	\$	45,68
Cloud Hall					\$	14,700	\$	14,70
General Infrastructure					\$	362,690	\$	362,69
South Res.	\$	6,207					s	6,20
John Adams	S	5,901			\$	13,926	\$	19,82
Downtown			\$	1,240	\$	3,270	\$	4,51
Alemany								
Total Health and Safety	\$	88,531	\$	1,240	\$	1,114,949	\$ - \$	1,204,72
Facility Renovation								
Phelan:								
B600-Replacement Fac					\$	558,244	\$	558,24
Conian Hail					\$	84,383	\$	84,38
Library	\$	2,432			5	16,860	\$	19,29
шогагу		2,250					\$	2,25
Smith Hall	\$	2,200						
•	\$	2,200			\$	298,585	s	298,58
Smith Hall	\$ \$	454			\$	298,585	\$ \$	298,58 45

958,072 \$

\$

966,823

Total Facility Renovation \$ 8,751 \$

#### GENERAL OBLIGATION BOND PROJECT EXPENDITURES AS OF 2/18/99

	Plant		of order				
Technology							
Phelan:							
B600-Replacement Fac							\$
Conlan Hall	\$	1,793		\$	8,592		\$ 10,385
Library							\$
General Infrastructure	\$	13.045		\$	781,186		\$ 794,231
John Adams							
Downtown							
Alemany							
Total Technology	S	14,638	\$	\$	789,778		\$ 804,816
*Childcare							
***************************************							
*ADA							
Land Acquisition							
Chinatown/NB	\$	383,225				\$ 5,671,071	\$ 6,054,296
Mission	\$	145,178				\$ 1,940,183	\$ 2,085,361
Total Land Acquisition	\$	528,403	\$ •	S	•	\$ 7,611,254	\$ 8,139,657
Bond Administration			\$ 115,423				\$ 115,423

<sup>&</sup>quot;Projects have not started.

#### CITY COLLEGE PROPOSITION A FIRST BOND SALE FUTURE SPENDING PLAN

Technology / Network	Project Category	Campus Name	Project Location	First Sale	Total
Alemany   Alemany   76,837     John Adams   John Adams   263,697     Phelan   North Gym   87,412     Phelan   Science Hall   334,693     Phelan   South Gym   102,734     Phelan   Campus Infratructure   1,500,000     Totals   2,365,374   5   2,365,37     Technology / Electrical		Network			
John Adams   John Adams   263,697     Phelan   North Gym   87,412     Phelan   Science Hall   334,693     Phelan   South Gym   102,734     Phelan   Campus Infratructure   1,500,000     Totals   2,365,374   \$ 2,365,37     Technology / Electrical   Alemany   100,403     John Adams   John Adams   312,544     Phelan   North Gym   40,487     Phelan   Science Hall   289,453     Phelan   Science Hall   289,453     Phelan   South Gym   49,658     Phelan   Campus Infratructure   1,500,000     Totals   2,292,544   \$ 2,292,54     Health / Safety   Alemany   802,548     John Adams   John Adams   1,377,847     Phelan   Science Hall   155,704     Phelan   Science Hall   310,507			Alemany	76,837	
Phelan		John Adams			
Phelan   Science Hall   334,693     Phelan   South Gym   102,734     Phelan   Campus Infratructure   1,500,000     Totals   2,365,374   \$ 2,365,37     Technology / Electrical		Phelan			
Phelan   Campus Infratructure   1,500,000		Phelan		334,693	
Phelan   Campus Infratructure   1,500,000     Totals   2,365,374   5   2,365,377     Technology / Electrical		Phelan		102,734	
Totals		Phelan		1,500,000	
Alemany		Totals		2,365,374	\$ 2,365,374
John Adams   John Adams   312,544     Phelan   North Gym   40,487     Phelan   Science Hall   289,453     Phelan   South Gym   49,658     Phelan   Campus Infratructure   1,500,000     Totals   2,292,544   \$ 2,292,54     Health / Safety   Alemany   Alemany   802,548     John Adams   John Adams   1,377,847     Phelan   North Gym   111,148     Phelan   Science Hall   155,704     Phelan   South Gym   67,726     Totals   2,514,973   \$ 2,514,97     Facility Renovation   Alemany   100,112     John Adams   John Adams   287,943     Phelan   North Gym   390,932     Phelan   Science Hall   310,507     Phelan   South Gym   410,571     Totals   1,649,377   \$ 1,649,37     ADA Upgrade   Alemany   185,718     John Adams   John Adams   74,001     Campus   Alemany   185,718     John Adams   John Adams   74,001     Campus   259,719   \$ 259,719   \$ 259,719	Technology /	Electrical	<del> </del>	+	
Phelan			Alemany	100,403	
Phelan   Science Hall   289,453     Phelan   South Gym   49,658     Phelan   Campus Infratructure   1,500,000     Totals   2,292,544   \$ 2,292,54     Health / Safety				312,544	
Phelan   Science Hall   289,453     Phelan   South Gym   49,658     Phelan   Campus Infratructure   1,500,000     Totals   2,292,544   \$ 2,292,54     Health / Safety		Phelan	North Gym	40,487	
Phelan   Campus Infratructure   1,500,000     Totals   2,292,544   \$ 2,292,544     Health / Safety   Alemany   Alemany   802,548     John Adams   John Adams   1,377,847     Phelan   North Gym   111,148     Phelan   Science Hall   155,704     Phelan   South Gym   67,726     Totals   2,514,973   \$ 2,514,97     Facility Renovation   Alemany   100,112     John Adams   John Adams   287,943     Phelan   North Gym   390,932     Phelan   Science Hall   310,507     Phelan   South Gym   410,571     Totals   1,649,377   \$ 1,649,3     ADA Upgrade   Alemany   Alemany   185,718     John Adams   John Adams   74,001     259,719   \$ 259,77				289,453	
Totals	فيرحاني	Phelan	South Gym		
Health / Safety		Phelan	Campus Infratructure		
Alemany   Alemany   802,548     John Adams   John Adams   1,377,847     Phelan   North Gym   111,148     Phelan   Science Hall   155,704     Phelan   South Gym   67,726     Totals   2,514,973   3, 2,514,97     Facility Renovation		Totals		. 2,292,544	\$ 2,292,544
John Adams   John Adams   1,377,847     Phelan   North Gym   111,148     Phelan   Science Hall   155,704     Phelan   South Gym   67,726     Totals   2,514,973   \$ 2,514,97     Facility Renovation	Health / Safe	ty			
Pholan   North Gym   111,148     Pholan   Science Hall   155,704     Pholan   South Gym   67,726     Totals   2,514,973   \$ 2,514,975     Facility Renovation					
Phelan   Science Hall   155,704     Phelan   South Gym   67,726     Totals   2,514,973   \$ 2,514,97     Facility Renovation   Alemany   100,112     John Adams   John Adams   287,943     Phelan   North Gym   390,932     Phelan   Science Hall   310,507     Phelan   South Gym   410,571     Totals   1,649,377   \$ 1,649,3*     ADA Upgrade   Alemany   185,718     John Adams   John Adams   74,001     259,719   \$ 259,7					
Phclan   South Gym   67,726     Totals   2,514,973   \$ 2,514,975     Facility Renovation   Alemany   100,112     John Adams   John Adams   287,943     Phclan   North Gym   390,932     Phclan   Science Hall   310,507     Phclan   South Gym   410,571     Totals   1,649,377   \$ 1,649,37     ADA Upgrade   Alemany   185,718     John Adams   John Adams   74,001     259,719   \$ 259,77					
Totals	L	1			
Facility Renovation		1	South Gym		
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Phelan   Science Hall   310,507		John Adams		287,943	
Phelan   South Gym   410,571		Phelan	North Gym	390,932	
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18 MONTH PLAN

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT 1997 PROPOSITION A BOND ISSUANCE PHASE I

ENCUMBRANCE/BOND FUND EXPENDITURE CHART

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ENCUAIBNANCE/BOND FUND EXPENDITURE CHART

6	4	



February 3, 1999

VIA FAX (415) 554-4864

Ms. Laura Opsahl Debt Administrator Mayor's Office of Finance & Legislative Affairs City & County of San Francisco One Carlton B. Goodlett Place San Francisco, CA 94102

RE: **Revised Bond Sale Request** 

Phase II Master Plan Project — San Francisco Zoological Society

Dear Ms. Opsahl:

In response to your request, we have prepared a revised bond sale amount based on the Zoo's current schedule (Attachment K), Division of Capital and Bond Monies (Attachment I), and Projected Cash Flow (Attachment G).

Attachments G, I and K are updates to the Project Information Worksheets that we submitted in July 1998. Descriptions of the projects remain as previously submitted

In the request, we have included project design and construction costs for projects where we anticipate the award of construction prior to March 31, 2000, and design costs related to projects which will be continuing in design after March 31, 2000. In all cases, we have only requested the portion of costs which will be funded through the bond sales.

This revised bond sale request is for \$16,900,000 on the following projects:

Name	Project Phase	Project Total	Bond Funds	Capital Campaign
Education Facility	Design & Construction	\$2,600,000	\$2,420,000	\$180,000
Animal Resource Center	Design & Construction	\$2,380,000	\$1,990,000	\$390,000
Zoo Support Facilities	Design & Construction	\$3,200,000	\$2,980,000	\$220,000
Administration Facilities	Design & Construction	\$2,400,000	\$2,240,000	\$160,000
Children's Zoo 1	Design & Construction	\$2,610,000	\$2,090,000	\$520,000
Quarantine & Holding	Design & Construction	\$3,340,000	\$2,670,000	\$670,000
Public Art Program	Design & Construction	\$800,000	\$800,000	N/A
Repair & Replacement	Design & Construction	\$2,690,000	\$340,000	\$2,350,000
Entry & Zoo Street 1	Design	\$13,180,000	\$870,000	\$940,000
Madagascar	Design	\$3,810,000	\$110,000	\$440.000
Africa!	Design	\$9,060,000	\$270,000	\$1.040,000
	Subtotal:	\$46,070,000	\$16,780,000	\$6,910.000
Bond Sale Est. Issuance Cos	t	N/A	\$120,000	N/A
	Total:	\$46,070,000	\$16,900,000	\$6,910,000



### Item 12 - File 99-2149

Department:

Department of Administrative Services (DAS)

Item:

Hearing to consider a request submitted by Walt Disney Corporation to film a segment of a movie (film shoot) at the Board of Supervisors Chambers during either the last week of April or the second week of June, 1999.

Location Property:

Board of Supervisors Chambers at City Hall

Rent Payable to the City by Walt Disney: \$300 per day to the Film Commission as a permit fee. \$5,000 per day for the use of the Chambers, which was negotiated by Ms. Kerry Painter, Building Manager for City Hall. According to Mr. Steve Nelson of the DAS, the rental payments accrue to the Department of Administrative Services for offsetting the costs of general clean-up and building/restroom maintenance of City Hall. Mr. Nelson estimates that the rental revenues to be received from the Walt Disney Corporation will not exceed such rental revenues which have already been appropriated in the FY 1998-1999 budget.

Description:

On December 14, 1998, the Walt Disney Corporation submitted a request to Ms. Gloria Young, Clerk of the Board, to conduct a film shoot at the Board of Supervisors Chambers at City Hall.

The film shoot would be conducted each day during a consecutive five-day period and only during the hours when the Board of Supervisors is not using the Chambers.

According to Ms. Painter, the Walt Disney Corporation is required to have security personnel and one engineer with the film crew at all times during the film shoot. Ms. Young states that the Walt Disney Corporation would be required to post surety bonds for the protection of City property. Ms. Young reports that the details of such bonds have not yet been finalized.

Comments:

1. Requests to utilize the Board of Supervisors Chambers for the purpose of filming movies can only be approved by the Board of Supervisors, according to Mr. Nelson.

- 2. Mr. Buck Delventhal of the City Attorney's Office states that the Board of Supervisors must approve all fees charged by City departments in accordance with the 1996 Charter, but that the applicable fee schedule has not yet been submitted to the Board of Supervisors. Mr. Delventhal explains that, in the absence of an established fee schedule, the fees to be charged to the Walt Disney Corporation could be included in a motion, subject the Board of Supervisors approval.
- 3. Mr. Lakey advised that the use of the Board of Supervisors Chambers by the Walt Disney Corporation would require a motion to be approved by the Board of Supervisors. As of the writing of this report, the Budget Analyst has not been provided with such motion to be acted on by the Board of Supervisors, for either approval of the fees noted above, or approval for the Walt Disney Corporation to use the Board of Supervisors Chambers.

## <u>Item 13 – File 99-0092</u>

Item:

Ordinance amending Chapter 45, Sections 45.1 through 45.3 of the Administrative Code to increase the fees paid to Grand Jurors and to delete obsolete provisions concerning payment of trial jurors fees.

Description:

The proposed ordinance would amend Sections 45.1 through 45.3 of the Administrative Code relating to grand jury fees and trial juror fees.

## Grand Jury Fees

There are two grand juries, one for criminal indictments and one for civil investigations. Civil and criminal grand juries each consist of 19 members. Civil grand jurors are appointed for one year terms. Criminal grand jurors are appointed for four month terms, and new criminal grand juries are selected every four months. As such, there are civil and criminal grand juries in session throughout the entire year. Civil grand juries in session throughout regular meetings up to once per week (four times per month) and must also attend a number of committee meetings each month. Criminal grand jurors may hold regular meetings up to three times per week (12 times per month). Mr. Gary Giubbini of the Trail Courts states that the frequency of meetings for both civil and criminal grand juries varies depending on the case work.

Section 45.2 of the Administrative Code requires that grand jurors receive \$11 per meeting for attending regular civil or criminal grand jury meetings. In addition, grand jurors are compensated for up to four committee meetings per month at \$11 per meeting. The existing fee of \$11 per meeting has been in effect since 1984.

Under the proposed ordinance, civil and criminal grand jurors would receive an increase in the fee paid for both regular grand jury meetings and committee meetings from \$11 to \$15 per meeting, or an increase of \$4 per meeting (36.4 percent).

## Trial Juror Fees

Section 45.3 of the Administrative Code states that jurors participating in civil or criminal trials in the Superior and Municipal Courts shall receive a) a fee of \$10 per day, and b) reimbursement for travel at the rate of \$1.50 for every 10 miles or fraction thereof for travel to and from the court.

The proposed ordinance would delete Section 45.3 since, according to Mr. Neal Taniguchi of the Trial Courts, under the State Trial Court Funding Act of 1997, trial juror fees and travel reimbursement are now the responsibility of the State Judicial Council.

#### Title

Lastly, the proposed ordinance would amend Section 45.1 to change the title of Chapter 45 from the "Jury Fees Ordinance" to the "Grand Jury Fees Ordinance."

### Comments:

1. The proposed increase of \$4 in grand juror fees would increase the annual grand juror expenditures from \$50,160 to \$68,400 or by \$18,240 (36.4 percent).

The table on the following page shows a breakdown of annual expenditures based on the current and proposed grand juror fees.

	Annual Expenditures Based on Current Fee Of \$11/meeting	Annual Expenditures Based on Proposed Fee Of \$15/meeting	Increase
Civil Grand Jury Regular Meetings (4 meetings/mo. x 12 mos./yr. x 19 jurors)	\$10,032	\$13,680	\$3,648
Committee Meetings (4 meetings/mo. x 12 mos./yr. x 19 jurors)	10.032	13,680	3,648
Total-Civil Grand Jury	\$20,064	\$27,360	\$7,296
Criminal Grand Jury Regular Meetings (12 meetings/mo. x 12 mos./yr. x 19 jurors)	<u>\$30,096</u>	<u>\$41.040</u>	\$10.944
Total	\$50,160	\$68,400	\$18,240

Mr. Taniguchi states that the increased expenditures related to the proposed increase in grand juror fees, which would become effective on March 8, 1999, would be absorbed in FY 1998-99 under the existing Trial Courts' FY 1998-99 budget.

#### Recommendations:

- 1. Approve the proposed amendment to Section 45.1 of the Administrative Code to change the title of Chapter 45 from "Jury Fees Ordinance" to "Grand Jury Fees Ordinance."
- 2. Approve the proposed amendment to delete Section 45.3 of the Administrative Code in order to delete references to fees and travel reimbursements for trial jurors, since such fees and travel reimbursements are now the responsibility of the State Judicial Council.
- 3. Approval of the proposed amendment to Section 45.2 of the Administrative Code, which would increase Grand Jury Fees by \$4 per meeting, is a policy matter for the Board of Supervisors.



## Item 14 - File 98-1935

Department:

Department of Parking and Traffic (DPT)

Department of Real Estate (DRE)

Item:

Ordinance to amend Section 17.11 of Chapter 17, Article II of Part I of the Administrative Code in regard to awarding leases and management agreements for the operation of City-owned parking facilities: eliminate the requirement that the Board of Supervisors. by ordinance, must first approve the bid documents as well as authorize the Director of Property to conduct the competitive bidding process; and (2) to eliminate the requirement to conduct the formal competitive bidding process currently set forth in Section 17.11 under which all such agreements must be awarded to the highest bidder in the case of a lease or to the lowest bidder in the case of a management agreement when the Parking and Traffic Commission deems such a formal competitive bidding process to be "impractical or impossible" and "not in the best interests of the people," and to replace the established formal competitive bidding process with a Request for Proposals or Request for Qualifications process developed by the Director of Property and the Department of Parking and Traffic (DPT).

Description:

The DPT and the Parking Authority have jurisdiction over 18 parking garages and 23 parking lots in the City.

# Changing the Process of Awarding Contracts

According to Mr. Ronald Szeto of the DPT, the current process of awarding leases and management agreements to private parking facility operators requires approval of two types of legislation by the Board of Supervisors. First, the Board of Supervisors must, by ordinance, approve bid documents related to the award of such contracts as well as authorize the Director of Property to issue an Invitation for Bid. Second, the Board of Supervisors must, by resolution, approve the contract awarded to the highest bidder in the case of a lease or the lowest bidder in the case of a management agreement. According to Mr. Szeto, this two-part process for obtaining

approval of an award by the Board of Supervisors generally takes six months.

Mr. Szeto states that the proposed ordinance would expedite this process by two months, by removing the first requirement that the Board of Supervisors must approve the bid documents to be used for issuing Invitations for Bids and must authorize the issuance of the Invitation for Bids. Currently, the Board of Supervisors may revise the bid documents submitted by the DPT prior to approving or rejecting them by ordinance. According to Mr. Szeto, under the proposed amendments, the DPT would continue to use such bid documents that have been approved by the Board of Supervisors in the past, but that modifications to the bid documents, after review and approval by a Deputy City Attorney, would be able to be made by the DPT without obtaining approval from the Board of Supervisors.

The actual award of each lease or management agreement to designated parking operator firms for the operation of City-owned parking facilities would continue to be subject to approval by the Board of Supervisors.

# Changing Competitive Bidding Requirements

Mr. Gerald Romani of the Department of Real Estate (DRE) and Mr. Szeto state that the competitive bidding process currently described in Section 17.11 permits the award for leases and management agreements only to the highest bidder in the case of leases or the lowest bidder in the case of a management agreement.

Under the proposed ordinance, awards would be made through a "competitive process developed and implemented by the Director of Property and the Executive Director of the Department of Parking and Traffic" through the utilization of a Request for Proposals (RFP) or a Request for Qualifications (RFQ) process.

Formal competitive bidding procedures would <u>not</u> be utilized if the Parking and Traffic Commission determined that such "a competitive process" "would be impractical or impossible and would not be in the best

interests of the public." Mr. Szeto stated that in such circumstances, the DPT would use an RFP or an RFQ process. Mr. Szeto further confirmed that the proposed amendment would permit the DPT to select parking operators on a sole-source basis subject to approval by the Board of Supervisors.

Therefore, approval of the proposed amendment would enable the DPT to issue RFPs or RFQs, in lieu of the formal competitive bidding process that is currently prescribed in Section 17.11, for awarding leases and management agreements for parking facility operations, and enable the DPT to recommend sole-source awards.

At the request of the Budget Analyst, Attachment I provided by Mr. Szeto and Mr. Romani, describes four prior specific instances which they believe clearly demonstrate that the formal competitive bidding process was impractical or impossible. However, in each of those instances, the lease or management agreement was, in fact, awarded through a formal competitive bidding process.

Attachment II provided by Mr. Szeto describes each of the specific criteria, besides monetary considerations, that the DPT would use to evaluate potential operators if the DPT were able to issue RFPs and RFQs, in lieu of using the currently required formal competitive bidding procedures to award leases and management agreements to operate the parking facilities under the jurisdiction of the DPT and the Parking Authority.

Comments:

- 1. As previously noted, according to Mr. Szeto, the current process of awarding leases and management agreements generally takes six months. Mr. Szeto estimates that by eliminating the requirement that the Board of Supervisors must approve the bid documents prior to authorization to begin the competitive bid process, the entire process can be reduced by two months under the proposed ordinance.
- 2. According to Mr. Romani, the current bidding process requires that awards be made solely based on the amount of the bids presented by operators, after specific

qualifications established by the DPT are met. However, Mr. Szeto states that through the use of RFPs and RFQs, the DPT would receive additional information from potential operators as to the quality of service and the management proposed to be provided. The Budget Analyst notes that nothing whatsoever precludes the DPT from obtaining such additional information under the presently required formal competitive bidding procedures, which, under the current provisions of the Administrative Code, require the award of such contracts to "responsive and responsible" bidders.

Also, with regard to the examples of problems related to the use of competitive bids cited by DPT in Attachment I, the Budget Analyst believes that any such problems could have been resolved through the preparation of detailed bid specifications and contract performance standards.

Lastly, in Attachment II, the DPT provides criteria that would be employed to evaluate proposals in response to a RFP or RFQ. The Budget Analyst notes that fees count for one tenth (10 points out of 100 total points) of the suggested rating system. Such a criteria would therefore allow for minimal consideration of the City's financial benefit in making contract awards.

#### Recommendations:

- 1. We consider the elimination of the requirement that the Board of Supervisors approve of bid documents related to the award of agreements to parking operator firms of Cityowned parking facilities to be a policy matter for the Board of Supervisors.
- 2. However, the Budget Analyst has not been presented with compelling evidence to show that it would be more beneficial financially for the City to permit the DPT to waive the formal competitive bidding process established in Section 17.11 of the Administrative Code, and/or enable the DPT to recommend sole-source awards, particularly when any additional information which the DPT states it would obtain using an RFP or RFQ process could, in fact, also be obtained under a formal competitive bidding process.

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## 1. Performing Arts Garage Bid dates-8/23/96 and 12/4/96

Initially a bid opening was held on 8/23/96 for award of a management agreement with a fee based upon a percentage of the gross parking revenues less the parking taxes. With the numerous, significant renovation/construction projects either underway or proposed to begin in the Civic Center area (City Hall, Courts Building, Opera House, State building and Asian Art Museum), the relocation of employees and patrons of the arts would reduce the garage revenues. In addition, a City-vehicle motor pool was proposed for the garage which could impact up to 81 of the 612 spaces. As a result, bids ranging from 3.45% to 64.5%, which could not begin to cover the operating expenses, were received with the then current operator bidding the highest. Since the three low bids ranged from 3.45% to 15.9% and such a wide range in bids existed, the Parking Authority Commission followed the staff recommendation by rejecting all bids. This required a rebid which took place on 12/4/96. Due to these various factors an RFP vs. a competitive bid would have been beneficial and prevented duplication of staff efforts in the rebid.

## San Francisco General Hospital Medical Center Parking System Bid dates-3/12/96 and 5/27/98

With the completion of the new parking garage at SFGH approaching, a management agreement to operate the parking system (the "System"), consisting of 1701 System parking spaces (807-garage, 658-campus and 236-street), was developed. Because of the complexity of the System with its size, 24-hour operation, different type of parking categories, a required lottery to select the monthly parkers and sophisticated parking control/revenue equipment to develop revenue reports, parking utilization plans, etc., an RFP process would have provided the ability to exam a parking firm's experience and expertise to operate such a large, complex facility. Recognizing these problems and having to award the contract to the lowest bidder, the initial term of the contract was limited to 2 years. Upon expiration of the initial contract a new operator took over who was also awarded the contract through a competitive bid process.

## 3. St. Mary's Square Garage Bid date-2/6/97

This 6-story, 825-space garage required extensive renovation including seismic retrofit resulting from damage sustained during the Loma Prieta earthquake. A \$6M+ renovation project, which commenced in late July 1998, is near completion. Valet parking of vehicles is required during the majority of the garage's hours and resulted in gross revenues less parking taxes of \$3.3M for the 1996-97 fiscal year. During the renovation project up to 50% of the garage area may be closed. Due to the high volume of vehicles parked and the impact the renovation project would impose on the parking operation, an RFP process would allowed for better assessment of a parking operator's ability to

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successfully operate this garage, especially during the trying times of the renovation project.

### 4. Civic Center Plaza Garage Bid date-4/27/98

The most recent bid for management of this garage illustrates problems that can be encountered in utilizing a competitive bid process instead of an RFP. Seven bids with monthly management fees ranging from \$28,333 to \$57,782 were received. Staff believed a management fee of \$45K/mo. to be a realistic management fee to operate the garage at the minimum levels contained in the management agreement. A recommendation by staff to reject all bids was approved by both the Parking and Traffic Commission and the Board of Supervisors. The contract was extended with the current operator on a month to month basis through 12/31/99 to allow for time to evaluate the possible impacts on the garage that may result from a proposed Civic Center Plaza Historic District bond measure.

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## ATTACHMENT II

1. 20 paints Management Approach a) Understanding of the clientele, efficient garage utilization and required customer 10 points services to be performed 10 points b) Fee proposal 2. Assigned Management Staff 25 points a) Recent experience of staff assigned to the garage and a description of the duties to 15 points be performed by each staff person b) Professional qualifications and experience of manager and on-site supervisors 5 points c) Workload, staff availability and accessibility for additional services 5 points 3. Experience of Firm and Sub-consultants 35 points a) Expertise of the firm and sub-consultants in the fields necessary to complete required tasks such as parking management, maintenance/ repair, janitorial services and security services 15 points b) Quality of recently managed parking facilities, including adherence to deposits, reports and budgets 10 points c) Experience with similar parking facilities 5 points d) Results of reference checks 5 points 4. Oral Interview 20 points Total: 100 points

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## Item 15 - File 99-0091

Note: This item was continued by the Finance and Labor Committee at its meeting

of February 10, 1999.

Department: Department of Public Works (DPW)

Recreation and Park Department (RPD)

Item: Ordinance transferring jurisdiction over certain real

property located at Drumm Street between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface rights thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining

Assessor's Block 202, Lot 18.

Description: The proposed ordinance would transfer jurisdiction over certain real property from DPW to RPD excluding the subsurface rights to a portion of the property. According

to Mr. Joel Robinson of RPD, approval of this ordinance would preserve the property for use as open space subject to the possible construction of an underground parking facility on this property. The construction of an

underground parking facility would require separate

approval by the Board of Supervisors.

On July 18, 1994, the City acquired from the State certain real property comprised of Assessor's Block 202, Lots 6, 14 and portion of 15, and a portion of Assessor's Block 203, Lot 14 (collectively, the "Property"). The Property is located immediately northwest of Justin Herman Plaza, between the Embarcadero to the west and Davis Street to the east, and between Washington Street to the north and Clay Street to the south, as shown on the attached map. The Property is currently held under the jurisdiction of the Department of Public Works. The Recreation and Park Commission has jurisdiction over adjoining property, Assessor's Block 202, Lot 18 (Lot 18). The subject Property and the adjoining property are used as open space.

The proposed ordinance would subject the Property and the adjoining Lot 18 to the restriction that no building, improvement or structure may be constructed on the

surfaces of the Property and Lot 18, provided that the following improvements would not be prohibited: (a) landscape improvements such as pedestrian pathways, gazebos, tables, benches lighting fixtures, trash receptacles, automatic public toilets, bicycle racks and drinking fountains, and (b) improvements necessary to the functioning of a potential underground parking facility if such improvements cannot be constructed underground.

Jurisdiction over portions of the Property's subsurface. specifically Assessor's Block 202. Lots 6, 14, and a portion of 15, is to be retained by DPW because on September 18. 1996, the Board of Supervisors preliminarily endorsed construction of an underground public parking facility with a capacity for up to 350 vehicles on this Property (File No. 47-96-8). This endorsement by the Board of Supervisors was subject to the condition that construction of an underground parking facility would not commence until the City executed a contract with a developer for a major renovation of the Ferry Building, located approximately 500 feet to the east of the Subject Property. across the Embarcadero, with the understanding, according to Mr. Alec Bash of the Port, that any such parking facility would serve the public needs associated with a renovated Ferry Building. According to the proposed ordinance, the Port is currently negotiating with a developer, William Wilson and Associates, for the renovation of the Ferry Building.

On November 4, 1996, the Board of Supervisors approved the Final Environmental Impact Report for the Alternatives to Replacement of the Embarcadero Freeway and the Terminal Separator Structure, which set forth several surface traffic improvements, including the widening of Washington and Clay Streets between Davis and Drumm Streets, which would consist of certain improvements to a portion of Block 203, Lot 14 (File No. 271-96-3). The proposed ordinance states that to "widen Washington and Clay Streets, the property line for Assessor's block 203, Lot 14 would be shifted approximately 17.40 feet to the south on the Washington Street frontage and approximately 17.61 feet to the north on the Clay Street frontage and two portions of Assessor's

Block 203 (collectively the "Reserved Street Widening Parcels), will thereby be a part of the widened Washington and Clay Streets."

Ms. Mariam Morley of the City Attorney's Office states that these Reserved Street Widening Parcels do not consist of that portion of Block 203, Lot 14 included in the Property proposed to be transferred from the jurisdiction of DPW to the jurisdiction of RPD. However, this proposed ordinance states "In the event that Washington and Clay streets are not widened within five years after the effective date of this Ordinance, the Director of Property shall recommend to the Board of Supervisors that, subject to the California Environmental Quality Act and other applicable laws, the jurisdiction of the Reserved Street Widening Parcels be transferred to the Recreation and Park Commission" and that the property comprising the Reserved Street Widening Parcels be subjected to the same development limitations as the subject Property. Therefore, according to Ms. Morley, the Reserved Street Widening Parcels, as land adjoining the subject Property described above, would serve as preserved open space in combination with the Property.

Comment:

As previously noted, the Property is currently used as open space. Mr. Robinson stated that RPD already provides gardeners to maintain the Property, excluding the portion of Assessor's Block 203, Lot 14, which is maintained by DPW. Mr. Robinson advises that RPD is not planning any improvements to the Property and therefore, Mr. Robinson anticipates no fiscal impact from the proposed jurisdictional transfer.

Recommendation:

Approval of the proposed ordinance is a policy matter for

the Board of Supervisors.

Harvey M. Rose

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cc: Supervisor Yee Supervisor Bierman President Ammiano Supervisor Becerril Supervisor Brown Supervisor Katz Supervisor Kaufman Supervisor Leno Supervisor Newsom Supervisor Teng Supervisor Yaki Clerk of the Board Controller Gail Feldman Matthew Hymel Stephen Kawa Ted Lakey

